



Innovative back microsurgery

Press release

2014 Annual results

Strong Sales growth at 69% and above €10m

Improved product margins at 72% up 500 bps

Narrowed Loss by €0.7m

€10m cash position

Toulouse, March 24, 2015 - VEXIM (FR0011072602 – ALVXM / PEA-PME eligible), a medical device company specializing in the minimally invasive treatment of vertebral fractures, announces today its consolidated annual results for 2014.

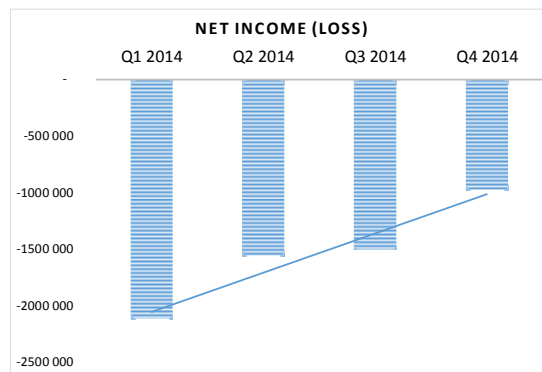
VEXIM recorded 2014 annual sales of €10.3m, multiplying by 1.7 its 2013 sales. This increase is due to the continued adoption of the SpineJack® technology, with more than 8 000 implants sold in 2014. The direct sales in European countries continue to grow significantly and represented 61% of sales while the International distributor business, now including the United States, more than doubled its sales in 2014.

<i>Consolidated statement</i> <i>(€ thousands)</i>	31.12.2014	31.12.2013
Sales	10 330	6 158
Of which Europe	8 973	5 581
Of which International	1 357	577
Gross Profit	7 410	4 132
Gross Margin %	72%	67%
Operating Expenses	-13 514	-11 031
Operating Income (Loss)	-6 104	-6 899
Net Income (Loss)	-6 160	-6 877

Gross profit increased to €7.4m in 2014 (x1.8 over 12 months), with the **gross margin** improving 500 basis points to 72% of annual sales, compared with 67% in 2013. This significant increase is the result of stronger direct sales with stable and good average selling prices, but also improved scale-up processes following the launch of the New Generation of SpineJack® in Q2 2014.

The **operating expenses** increased 23% to €13.5m, compared to €11m in 2013. The pace is three times slower than the sales growth for the same period in 2013. VEXIM continues to invest in marketing and sales activities to develop the awareness of the SpineJack® technology, increase physician clinical experience and knowledge, and strengthen its commercial coverage. The company now has 28 trained and experienced direct sales representatives in Europe allowing for complete coverage. VEXIM also trained more than 250 surgeons in 2014, 25% more than in 2013.

In 2014, there was a **net loss** of €6.1m, which represents a reduction of €0.7m compared to 2013. This confirms the trend of turning VEXIM into a profitable company in the near future.



On December 31, 2014, VEXIM had a **cash position** of €10.1m notably following a successful €11.8m capital increase in January 2014 and a successful €5m private placement by issuing new shares with attached Warrants, allowing the company to pursue its development activities for 2015.

2014: new milestones attained

USA Launch

VEXIM opened its subsidiary in June 2014, named Christopher Staubly as Director of U.S. National Sales and started its commercial activities in December 2014. In 2015, VEXIM will also launch a clinical study to support its planned 510(k) for the SpineJack® in the USA.

Broadening the product portfolio

In May 2014, VEXIM launched a new generation of its SpineJack® product and expanded its indications to all types of vertebral compression fractures.

In December, VEXIM introduced its new injection system Masterflow™ to the United States market. The Masterflow™ is an innovative solution for mixing and injecting orthopedic cement that enhances accuracy and optimizes the surgical procedure.

Clinical evidence and scientific publication

VEXIM published the results of three clinical trials:

- A retrospective study published on March 20, 2014 of 178 patients followed over 5 years confirms the excellent long-term results of SpineJack® for treating vertebral compression fractures. The study found that the reduction-stabilization of vertebral fractures through a combination of SpineJack® implantation and cement injection resulted in immediate and sustained improvement of the patient's pain and functional capabilities.
- 1-year results of an international study, published on May 19, 2014, confirm the excellent performance of SpineJack® in treating complex fractures. Major improvement was shown in pain, functionality and quality of life for 103 patients 1 year after the implantation of SpineJack®.

- Six-month results of comparative study of SpineJack® versus Balloon Kyphoplasty, published on September 30, 2014, demonstrated that SpineJack is highly effective in treating vertebral compression fractures and resulted in near-perfect restoration of vertebral height, greater, faster relief of vertebral pain and shorter intervention period.

2015 Outlook: International expansion and continued SpineJack® adoption

In 2015, VEXIM will continue to expand its footprint across the vertebral compression fracture market, notably in the United States but also in new regions, including Asia and Latin America. The company also expects to see adoption rates of its products increase in Europe with dedicated marketing and clinical programs. The Company expects to reach profitability during the course of 2015.

Vincent Gardès, CEO of VEXIM, concludes: *“I am proud of what VEXIM accomplished in the last three years, transforming from a R&D start-up to an international company with growing sales. Those results are impressive and demonstrate that we are doing the right things to reach our goal of becoming a major and global provider of solutions in the back trauma market and we will continue to promote and develop the SpineJack® approach across the globe.”*

Upcoming financial communications*:

First 2015 Quarter sales: April 16^t, 2015

First 2015 semester results: September 30^h, 2015

**Indicative dates, subject to 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 minimally-invasive solutions for treating traumatic spinal pathologies. Benefitting from the financial support of its longstanding shareholder, Truffle Capital¹ 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 60 members on its staff. It has its own sales teams in France, Germany, Italy, Spain, Switzerland, the United Kingdom and United States, as well as distributors in Turkey, Argentina, Taiwan, Belgium, Estonia, Poland, Portugal, South Africa, Saudi Arabia, Colombia, Panama, Venezuela, Chile, Peru and Ecuador and in the following countries where the product is currently being registered: Mexico, Brazil. VEXIM has been listed on NYSE Alternext Paris since May 2012.

For further information, please visit 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 specialized range of instruments, inserting the implants into the vertebra is carried out by minimally-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.

Contacts

VEXIM

Vincent Gardès

CEO

investisseur@vexim.com

Tel: +33 5 61 48 48 38

Alize RP

Relations presse

Caroline Carmagnol

vexim@alizerp.com

Tél : 01 44 54 36 66 / 06 64 18 99 59

LifeSci Advisors LLC

Investor Relations

Michael Wood

www.lifesciadvisors.com

+1 646 597 6983



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



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.