



PRESS RELEASE

2014 annual results: Acceleration in international development

1st quarter of 2015: Solid revenue growth of +56%

- ▶ Growth in adoption demonstrated by the substantial increase in procedures
- ▶ Expansion of the sales force in the United States
- ▶ Objective to perform 2,200 spinal surgeries in 2015 is reaffirmed

Eragny-sur-Oise (France), April 15, 2015 – SAFE ORTHOPAEDICS (FR0012452746 – SAFOR / PEA PME eligible), a company developing and marketing an innovative range of sterile implants with associated disposable surgical instruments for spine surgery, announces its 2014 annual results and Q1 2015 revenue.

“Following two years essentially devoted to the industrialization and approval of our innovative single-use spine surgery solutions, 2014 was marked by Safe Orthopaedics’ international development. The investments thus made over the year enabled us to address 12 new countries and to increase our sales force in Europe and the United States where we have recruited 3 more sales managers since our IPO”, comments Yves Vignancour, CEO of Safe Orthopaedics. “These major breakthroughs in 2014 enabled us to enter 2015 with confidence and to record solid revenue growth of +56% in the first quarter of the year, including growth of +137% in the United States. We are reaffirming our 2015 objective; the number of spinal surgeries using our products this year should be more than double the 2014 figure.”

2014 annual results: acceleration in international development

Over the year to December 31, 2014, Safe Orthopaedics initiated its international development and structured its activities with the recruitment of a number of sales staff, in the United States and Europe, and the strengthening of its R&D and quality teams.

Distribution agreements were also signed with top-tier partners to enable surgeons across Europe to have access to Safe Orthopaedics’ innovative solutions.

These investments notably resulted in a doubling of revenue to €2.1 million in 2014, a 57% increase in R&D spending to €1.1 million and a 175% increase in Sales & Marketing costs to €1.1 million.

There was an operating loss of -€5.6 million at the end of 2014, compared with -€3.1 million at end-2013. Once foreign exchange gains, essentially on the US dollar, are taken into account, there was a net loss of -€4.9 million in 2014 compared with -€3.2 million in 2013.



PRESS RELEASE

€ thousands	2014	2013
Revenue	2,053	967
Cost of goods sold and inventory variations	(1,640)	(953)
External costs	(2,221)	(826)
Personnel costs	(3,048)	(1,865)
Other operating expenses	(510)	(416)
Core operating loss	(5,353)	(3,092)
Operating loss	(5,553)	(3,092)
Financial profit / loss	557	(176)
Net loss	(4,936)	(3,193)

Solid revenue growth in the first quarter of 2015: +56% to €703k

Over the 1st quarter of 2015, Safe Orthopaedics reaffirmed its sustained buoyant development momentum.

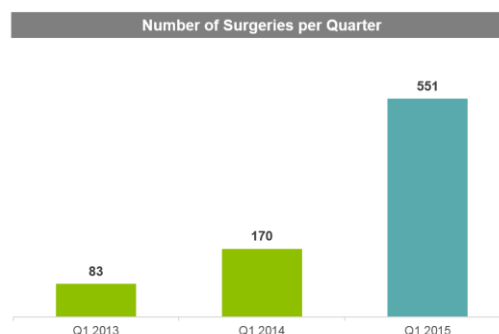
Doped by its IPO and the €9.56 million raised in February 2015, Safe Orthopaedics has been continuing its growth plan:

- **United States:** recruitment of an additional three sales staff to cover hospitals located in the cities of Los Angeles, Charlotte and Chicago,
- **Europe:** signing of distribution contracts and launch of marketing in Austria,
- **R&D:** CE mark and first operations carried out with the new fenestrated screws on patients with osteoporosis.

The number of spinal surgeries using Safe Orthopaedics' products thus reached a record 551 over the first three months of 2015.

In comparison, 170 surgeries were carried out in the first quarter of 2014 and 439 in the fourth quarter of 2014.

Safe Orthopaedics is therefore reiterating its objective of 2,200 procedures using the Company's products over 2015 as a whole.



In terms of revenue, this also resulted in solid growth of +55% to €703k in the first quarter, including growth of +137% in the United States. The fact that revenue grew at a slower pace than the number of surgeries was due to the signing, in the 1st quarter of 2014, of distribution contracts in a number of European countries with sizeable initial orders to cover these territories, while surgical activity only began the following quarter.

€ thousands	Q1 2015	Q1 2014	Δ
Revenue	703	452	+56%
Cash position (at March 31)	7,998		



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With a cash position of €8.0 million at March 31, 2015, Safe Orthopaedics intends to continue implementing its development strategy, first and foremost in the United States, and by offering in the coming months a new and innovative range of sterile implants with associated disposable surgical instruments in the field of spine trauma (vertebral fractures).

Next financial press release:

Revenue for the 2nd quarter of 2015 will be published on Wednesday July 15, 2015 (after market)

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company that develops and markets an innovative range of sterile implants and associated single-use surgical instruments, with the aim of facilitating safer, optimized and lower-cost spinal surgery. By avoiding the reuse of surgical instruments, Safe Orthopaedics reduces the risk of infection, avoids the cumbersome and unreliable logistics of instrument sterilization, and limits hospital costs. Protected by 17 patent families, the company's CE-marked and FDA-approved SteriSpine™ kits are already being marketed in 12 countries, in Europe and the United States. They are being rapidly adopted by surgeons throughout the world, with more than 1,500 procedures performed during the past 12 months. The company is based at Eragny-sur-Oise (France), and has 32 employees and a US subsidiary.

For more information, visit: www.SafeOrtho.com

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