*Innovative back microsurgery*

**Press release**

# Vexim Announces 2015 Half-year Results

Sales: +24% to €6.1m vs. 2014

Gross margin: 72% of sales

## Outlook

*Strong sales growth expected in second half of year*

*Company continues to anticipate reaching profitability in fourth quarter of 2015*

**Toulouse, 30 September 2015 - VEXIM (FR0011072602 – ALVXM / PEA-PME eligible)**, a medical device company specializing in minimally invasive solutions for the treatment of vertebral fractures, today reports consolidated results for the first half of 2015[1].

**Vincent Gardès, VEXIM's CEO, comments:** *"Our business continues to experience significant momentum in all facets. Sales are growing well and should further expand in the second half of the year, and we continue to expect that VEXIM will reach profitability during 2015. In addition, our ongoing pivotal clinical study to support the planned 510(k) submission for SpineJack® is proceeding as planned since the initiation of the study in June. Collectively, these accomplishments demonstrate that the Company is well-positioned to become a global leader in the Spine trauma market. "*

## Strong sales and margin momentum

| *Consolidated accounts (€'000)* | **06/30/2015** | **06/30/2014**[2] |
|---|---|---|
| **Sales** | **6.111** | **4.918** |
| **Gross margin** | **4.392** | **3.647** |
| *as a % of Sales* | 71,9% | 74,2% |
| Operating expenses | -7.802 | -7.305 |
| **Net operating income (loss)** | **-3.410** | **-3.658** |
| **Net income (loss)** | **-3.647** | **-3.674** |

[1] The accounts, having been subject to a limited review, were adopted by the Board of Directors on 10 September 2015.

[2] 2014 S1 financials include a reclassification between Gross margin and operating expenses with no impact on Sales or Net result.

In the first half of 2015, VEXIM's sales reached €6.1 million, up 24% from the same period in 2014. This significant growth reflects the effectiveness of VEXIM's direct sales strategy for SpineJack® in Europe and by specialized distributors in selected countries. The Company's first half sales also include more than 100 surgeries performed with VEXIM's new high viscosity cement injector, Masterflow™.

The gross margin for the first half increased by 20% from the 2014 first half to €4.4 million. As a percentage of sales, the gross margin for the period ending June 30, 2015 came in at 71%. The variance of 2 points compared to last year is entirely linked to negative inventory variance over the first semester of 2015.

In the context of 24% sales growth, operating expenses increased only 7% from the 2014 first half, and were €7.78 million. This led to a €0.2 million improvement in the net operating loss, which declined to €3.4 million. Net loss for the period was €3.6 million.

## Cash position

On 30 June 2015, VEXIM had €5.2 million in cash, reflecting a measured investment strategy, with expenditures in the first half focused primarily on clinical and commercial developments.

## Half-year operating highlights

**Significant clinical advances**
The results of two clinical studies were published by VEXIM in the first half and the Company launched the clinical study to support the planned 510(k) submission for SpineJack®:

- In March, the 24 months results of an international clinical study of 103 patients demonstrated the effectiveness of SpineJack® in treating acute fresh traumatic vertebral compression fractures.
- In April, the 1-year results of a pilot feasibility study comparing the safety and efficacy of SpineJack® to the Medtronic balloon in the treatment of vertebral compression fractures in patients with osteoporosis demonstrated positive outcomes that were meaningfully better than those outcomes achieved by the Medtronic balloons.
- In June, VEXIM announced the initiation of a new pivotal clinical study intended to support the Company's planned 510(k) application for regulatory clearance to market SpineJack® in the US. This is a prospective European multicentric randomized study that will compare the safety and efficacy at one year follow-up of the New Generation SpineJack® device with Medtronic's balloon in 160 patients suffering from vertebral compression fractures due to osteoporosis.

**Launch of the Masterflow™ device in Europe**

The Masterflow™ Injection System for Vertebral Augmentation now provides a more intuitive process for accessing the vertebral body for cement delivery and is unique in its simplicity,

accuracy and control of the injection of high-viscosity cement to treat vertebral compression fractures.

## Key corporate objectives

**Further advance commercial activities in the United States**
VEXIM opened a subsidiary in the United States in September 2014 to support the development of commercial operations in the US market around a network of agents and specialized dealers. The Company initiated US commercial and marketing activities through the launch of Masterflow™ at the end of 2014, laying the foundation for the anticipated US SpineJack® launch.

**Further increase market penetration in Europe**
VEXIM recently appointed Gunther Peeters as the Vice President of Europe Sales and Global Marketing. Gunther's extensive experience in Business development, Sales, Clinical education, Marketing, as well as Regulatory and Clinical, will be essential in continuing to expand SpineJack® market penetration in Europe.

**Further expand our global distributor network across the globe**
VEXIM intends to continue to expand its global footprint through the introduction of SpineJack® in additional geographies, like Asia and Latin America. The Company recently appointed Remco Maljers as the Vice President of Indirect Sales and Business Development. Remco has 20 years of experience in Sales and Marketing and has extensive expertise in the global orthopedics and spinal industry.

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**2015 provisional financial reporting schedule*:**
Third Quarter sales results: October 13th
*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 minimally-invasive solutions for treating traumatic spinal pathologies. Benefitting from the financial support of it longstanding shareholder, Truffle Capital[3] 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

[2] 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.

### 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.

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

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