



PRESS RELEASE

2015 revenue: +23% to €2.5 million

- ▶ Number of surgical procedures up sharply: +118%; annual guidance exceeded
- ▶ Strong growth in France, but slower than expected progress in the USA
- ▶ Further buoyant uptake in the Rest of the World zone

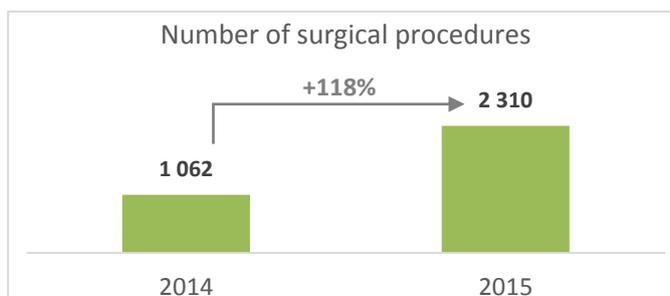
Eragny-sur-Oise (France), February 11, 2016 – SAFE ORTHOPAEDICS (Euronext: FR0012452746 – SAFOR), a company developing and marketing an innovative range of sterile implants combined with their single-use surgical instruments, presents its business update for the year to December 31, 2015.

Yves Vignancour, Chief Executive Officer of Safe Orthopaedics, says: *“The fact that we exceeded our guidance of 2,200 surgical procedures, associated with buoyant growth in Europe, represents an encouraging sign for the uptake of our single-use systems, particularly in France and the Rest of the World zone, where we are strengthening our marketing resources in order to capitalize on this growth potential. 2015 was also the year in which Safe Orthopaedics launched both a fenestrated screw and the One-Step self-correcting screw, a unique innovation to correct and stabilize Spinal Trauma in the same surgical stage.”*

118% growth in the number of surgical procedures in 2015

The buoyant growth in the number of surgical procedures since 2014 continued throughout 2015, taking the total number of procedures to 2,310, an increase of 118% on the previous year (and +444% compared to 2013).

The guidance of 2,200 procedures for the year was thus exceeded.

**23% growth in revenue and cash position of €5.9 million as of December 31, 2015**

€ thousands	2015	2014	Δ
First nine months revenue	1,935	1,433	+35%
4 th quarter revenue	590	620	-5%
Full year revenue	2,525	2,053	+23%
Cash position (as of December 31)	5,941	993	n.a.

Revenue grew by 23% to €2,525k over the 2015 financial year.

In the 4th quarter of 2015, Safe Orthopaedics recorded sales of €590k, a decline of 5%, due to an underperformance in the USA and a negative base effect directly associated with the signing of new distributors in 2014, and subsequently with the building up of inventories.

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At December 31, 2015, Safe Orthopaedics had a cash position of €5.9 million, almost stable on the figure of €6.0 million at June 30, 2015 and up on the figure at December 31, 2014.

Geographic breakdown of revenues and surgical procedures performed

Over the year as a whole, Safe Orthopaedics saw contrasting patterns between its various markets: France (40% of revenue), the USA (18% of revenue) and the Rest of the World (42% of revenue).

The progress in the number of surgical procedures has been very positive, with a near doubling of this number in France and a threefold increase in the Rest of the World, while the USA accounted for less than 5% of the total.

Strong growth in France

€ thousands	2015	2014	Δ
First nine months revenue	738	421	+75%
4th quarter revenue	278	194	+43%
Full year revenue	1,016	615	+65%
Surgical procedures (12 months to December 31)	967	521	+86%

On the French market, Safe Orthopaedics maintained its strong growth throughout the year in terms of both revenue and the number of procedures performed, thus confirming the strong uptake of its single-use sterile systems by orthopedic surgeons.

Underperformance in the USA

€ thousands	2015	2014	Δ
First nine months revenue	375	215	+74%
4th quarter revenue	79	178	-56%
Full year revenue	454	393	+16%
Surgical procedures (12 months to December 31)	98	112	-13%

By contrast, activity in the USA reflected a different market trend, with the transition to single-use equipment taking longer than expected, notably due to the presence of established companies and a health system that still tolerates the inefficiencies of reusable instruments, despite growing regulatory pressure for better infection control.

Further buoyant uptake in the Rest of the World

€ thousands	2015	2014	Δ
First nine months revenue	822	797	+3%
4th quarter revenue	233	248	-6%
Full year revenue	1,055	1,045	+1%
Surgical procedures (12 months to December 31)	1,245	429	+190%



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Growth in the number of surgical procedures in this region was particularly buoyant, at 190%. Revenue was stable. The lag between the sharp increase in surgical procedures and the relatively stable revenue level was directly due to a negative base effect and to the building up of inventories in 2014 associated with the new distributors in a number of countries in the region. These inventories enabled rapid market penetration, and thus a sharp increase in the number of surgical procedures in 2015. Inventory levels have now normalized.

Next financial press release: 2015 Annual Results, on Thursday April 28, 2016 (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 SteriSpine™ Kits are CE-marked and FDA cleared; they are already being marketed in 16 countries, in Europe and the United States. They are being rapidly adopted by surgeons with a doubling of the number of surgical procedures performed between 2014 and 2015. The company is based at Eragny-sur-Oise (France), and has 33 employees and a US subsidiary.

For more information, visit: www.SafeOrtho.com

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