



Safe Orthopaedics announces a 3,8 M€ annual turnover for the Group and gives an update on its bond financing line

- ▶ Annual turnover down 18% compared to 2019
- ▶ Direct annual turnover increased by +9%
- ▶ Advance receipt of 4,1M€ from the bond financing line out of a total of 8,0M€
- ▶ Cash position of 5,2M€

Éragny-sur-Oise, France, January 14, 2021, 17h35 CET – Safe Orthopaedics (FR0013467123 – ALSAF), a company specializing in the design, manufacturing and marketing of single-use technologies for spinal surgeries, delivering the safest treatment for spinal fractures urgently treated, announces its 2020 annual turnover and gives an update on its bond financing line and its cash position.

<i>In thousand of euros</i>	2020 <i>(12 months)</i>	2019 <i>(12 months)</i>	Variation
Direct sales (FR, Ger, UK)	2 216	2 024	+9%
Indirect sales	1 623	2 677	-39%
Total revenues	3 839	4 702	-18%

En 2020, Safe Orthopaedics turnover was 3 839 K€, down 18% compared to 2019, fully due to the impact of the global pandemic in 2020. However, the annual direct sales show, in spite of the lockdowns in Europe and in particular the French « white plan » limiting the hospitalizations because of the over-occupation of intensive care beds by covid patients, a growth of 9%. This is explained, in part, by the market penetration of Sterispine™ PS 2nd generation launched in 2020 and by the acquisition in LCI Medical in July 2020 and renamed in January 2021.



<i>In thousand of euros</i>	Q1 2020 <i>(3 months)</i>	Q2 2020 <i>(3 months)</i>	Q3 2020 <i>(3 months)</i>	Q4 2020 <i>(3 months)</i>
Direct sales (Fr, Ger, UK)	530 (-4%)	353 (-23%)	618 (+28%)	715 (+34%)
Indirect sales	551 (+5%)	297 (-41%)	325 (-52%)	450 (-54%)
Total revenues	1 081 (stable)	650 (-32%)	943 (-19%)	1 165 (-22%)

<i>In thousand of euros</i>	Q4 2020 <i>(3 months)</i>	Q4 2019 <i>(3 months)</i>	Variation
Direct sales (Fr, Ger, UK)	715	532	+34%
Indirect sales	450	969	-54%
Total revenues	1 165	1 502	-22%

The group has undergone its strongest decrease in sales during the second quarter of 2020, 650k€ during the first lockdown, versus 964k€ during the second quarter of 2019, then resumed and upward trend in the third and fourth quarters, the latter being to be compared with the sales of the fourth quarter of 2019 equal to 1 502k€, the highest historical level, just before the pandemic.

In France and in the United Kingdom, direct sales in the spinal market are down respectively 17% and 22%, showing the tensions on intensive care beds, as German sales grew +72%, due to a different management approach for Covid-19 and the growth capacity of the Group on a larger market.

Indirect sales are in sharp decline, as a direct consequence of the various sanitary crisis in the 21 countries where the products of the group Safe are distributed.

In 2020, the company utilized the brutal economic downturn to convert its stock of SteriSpine™ PS from first generation to second generation, in order to ensure a strong capacity for recovery in 2021 and a significant industrial capacity for the acceleration of innovation and the reduction of its needs for working capital (consequence of the post-acquisition cost price of production), necessary for the growth in the coming years.

Finally, the group structuration, as describe in its Universal Registration Document registered on December 24th, 2020, allows the new group to organize a management of its two branches of activity, while utilizing shared support resources.

“The global mondial pandemic of Covid-19 and the brutal downturn of surgeries will have a long-term impact on our economy and on the history of orthopaedic market. Even if 2020 shows a decline of the sales of Safe Orthopaedics, it was a dynamic year for the group with the redesign of its flagship range SteriSpine™PS, the acquisition of LCI Medical, and the establishment of its Integrated Manufacturing Factory, the development of SORA¹ and the deployment of our ready-to-use model through new and innovative services for hospitals”, Pierre Dumouchel, President, Chief Executive Officer and co-founder of Safe Orthopaedics, comments. “We all hope that 2021 will be the year for a controlled pandemic and an economic revival. Safe is strongly prepared, through the significative reinforcement of its cash position, the structuration of its brands Safe Orthopaedics and Safe Medical. A rapid pace for innovation and a return to a double-digit commercial growth are our short-term ambitions”.

¹ SORA : Safe Operating Room Assistant



Update on the financing program and cash position

It is recalled that the company announced on December 17th, 2020, the conclusion of an agreement with the Luxembourg investment fund European High Growth Opportunities Securitization Fund (the “Investor”) for the implementation of a flexible bond financing line through the issuance of 1.680 convertible bonds for new and/or existing shares, with a par value of 5.000 € each (the “OCEANE”), in 24 degressive installment of OCEANE (see press release of December 17, 2020).

Due to favorable market conditions, and in accordance with the bond financing line documentation, the first drawing of this line has been announced by the company on December 24, 2020.

Because of these lasting favorable market conditions, and following the proposal from the Investor, the ten (10) first tranches of the financing program have been issued in advance, allowing the Company to secure 4,1 million euros.

As a consequence of the early issuance of this ten installments (representing 860 OCEANE for a total par value of 4,30 M€) and of the commitment fees (representing 34 OCEANE for a total par value of 0,17 M€), the Company has issued 16.738.142 shares to the Investor.

It is recalled that this financing line is intended to enable Safe Orthopaedics to finance, notably:

- innovation through new surgical assistance solutions;
- new deposits in mainly European and American healthcare establishments under a framework of privileged partnerships;
- clinical marketing studies following the new European directives relating to CE marking;
- set up of virtual training for surgeons for the the surgical practice of Safe Orthopedics products; and
- industrial development, notably with the extension of the Fleurieux-sur-Arbresle industrial site

The drawing of each tranche of OCEANE shall resume automatically at the expiration of a twenty trading days period from the drawing of the last tranche (subject to the satisfaction of some conditions detailed in the press release of December 17, 2020), according to the following projected timetable:



January 2021 to February 2021	2 monthly tranches with a par value of 400.000 € each (80 OCEANE)
March 2021 to May 2021	3 monthly tranches with a par value of 350.000 € each (70 OCEANE)
June 2021 to August 2021	3 monthly tranches with a par value of 300.000 € each (60 OCEANE)
September 2021 to November 2021	3 monthly tranches with a par value of 250.000 € each (50 OCEANE)
December 2021 to February 2022	3 monthly tranches with a par value of 200.000 € each (40 OCEANE)

However, it is recalled that (i) the Company controls the rhythm of the financial support by the Investor as it can at any time, subject to a 15-trading day prior notice, suspend (then resume, if need be) the drawings and (ii) the Investor has the possibility to request from the Company, through “Investor Calls”, the early drawing of some tranches if it considers that the market conditions are favorable.

For illustration purposes, the impact of the issuance of the OCEANE would be as follows:

Impact of the issuance of the investment of a shareholder holding, before the launch of the financial program, 1% of the share capital of the Company (on the basis of the number of shares constituting the share capital of the Company as of December 23rd, 2020, being 27.486.812 shares):

	Shareholder stake	
	Non-diluted basis	Diluted basis ⁽¹⁾
Pre-issuance	1,00%	0,98%
After the issuance of 16.738.142 new shares through the exercise of 894 OCEANE (current situation)	0,62%	0,61%
After the issuance of 6.561.538 new shares through the exercise of the 853 remaining OCEANE ⁽²⁾	0,54%	0,53%
After the issuance of de 42.650.000 new shares through the exercise of the 853 remaining OCEANE ⁽³⁾	0,32%	0,31%

(1) The diluted basis takes into account the exercise of all of the currently existing dilutive instruments that could lead to the issuance of an indicative maximum of 612.164 new shares.

(2) Theoretical calculations on the basis of the closing price of the shares of the Company on January 12, 2021, equal to 0,67 euro, and of a conversion price of the OCEANE amounting to 97% of this value, equal to about 0,65 euro. This dilution does not prejudice the final number of shares to be issued nor their conversion price, which will be set depending on the stock-exchange price, in accordance with the modalities detailed above and in the press release of December 17, 2020.

(3) Theoretical calculations on the basis of the par value of the share of the Company, equal to 0,10 euro.

All of the other terms and conditions of this financing line, as detailed in the press release of the Company of December 17, 2020, remains applicable.



Cash position

Thanks to a significant refinancing up to 8,4 M€ for Safe Orthopaedics on one side, and to the obtaining of a subvention as part of the Recovery Plan up to 0,8 M€ and the grant of an innovation loan up to 0,5 M€ for Safe Medical on the other side, on January 2021, the cash position of the group amounted to 5,2 M€.

Financial calendar

Financial communication	Date ²
Q1 2021 turnover	April 8, 2021
2020 annual results	April 23, 2021
S1 2021 turnover	July 5, 2021
S1 2021 results	September 30, 2021
Q3 2021 turnover	October 7, 2021
S2 2021 turnover	January 13, 2022

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company, a pioneer of the design and marketing of innovative ready-to-use technologies (single-use implants and instruments) for spinal fractures treatments. The company develops and manufactures kits combining sterile implants and single-use instruments, available at any time for the surgeon. These technologies enable minimally invasive approach, reducing the risk of cross contamination and infection, in the interest of the patient with a positive impact on hospitalization durations and costs. Protected by 17 patent families, the SteriSpine™ PS are CE marked and FDA approved. Safe Orthopaedics has its headquarters close to Paris (95610 Eragny-sur-Oise - France) has subsidiaries in the UK, Germany, United States and in the Lyon area where the manufacturing company is located. The Group employs around 150 employees.

For more information: www.SafeOrthopaedics.com

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² Note (*): publications will be made post-market. Information subject to change.