



Safe Orthopaedics announces its 2020 financial results

- ▶ Revenues for 2020 of €3.7M, 23% decrease
- ▶ Reduction of external loads of 36%
- ▶ Improvement in operating income of 10%.
- ▶ Cash flow of €4.7M

Éragny-sur-Oise, France, on April 30th, 2021, 5:35 pm CET – Safe Orthopaedics (FR0013467123 – ALSAF), holding of the Safe Group (composed of Safe Orthopaedics, a company specializing in the design, manufacturing and marketing of single-use technologies for spinal surgeries, and Safe Medical (Ex-LCI medical), integrated subcontractor for orthopedic medical devices, today announces its 2020 commercial and financial performance.

The 2020 Annual Financial Report of Safe Orthopaedics will be available on the website of the Company (www.SafeOrthopaedics.com), under heading Investors > Documentation > Documents and publications, as from April 30, 2020.

<i>Thousands of euros – IFRS</i>	31/12/2020	31/12/2019	Growth
Revenues – Direct sales	1 955	2 109	-7,3%
Revenues – Indirect sales	1 623	2 683	-39,5%
Total revenues	3 685	4 792	-23%
Cost of goods sold and inventory variation	(2 259)	(3 420)	-34%
External loads	(2 081)	(3 257)	-36%
Personnel expenses	(5 443)	(4 633)	+17,5%
Other operating charges	(569)	(939)	-39,4%
Recurring operating income	(6 667)	(7 456)	-10,6%
Other operating income and charges	1	8	
Operating income	(6 666)	(7 449)	
Financial result	-1 640	-521	
Net Income	(8 306)	(7 970)	

In 2020, revenues were €3,685k, down 23% due to the impact of the pandemic in 2020 and the impact of IFRS 15, which deducts directly the costs of sales agents from revenues.

The control of the Group's expenses has enabled it to reduce purchases and external charges by 34% and 36% respectively, despite the integration of Safe Medical for 5 months in the consolidated accounts and the continuation of major technological developments such as SORA, announced on January, 4th 2021.

The strengthening of the sales force in 2019 has impacted the 2020 accounts by +17% compared to the previous year, allowing the maintenance of an operational sales force explaining a strong recovery of sales in Q1 2021 in recovering areas such as Germany where sales are up 121% compared to Q1 2019.



Operating profit, which improved by nearly €800k in a year impacted by a contraction in sales and a global pandemic, reflects a control of costs while maintaining a capacity for commercial rebound as the crisis ends. All this while structuring a group with a strong capacity for innovation with the creation of the Centre for Innovation and Industrial Production (CIPI) in Lyon which will be inaugurated in September 2021.

After a negative financial result of €1.6m, made up of the costs of financing the depreciation of the current accounts of the British subsidiary, the net result was €8.3m.

" 2020 was significantly impacted by the sanitary crisis. The lockdown measures and the reduction of elective surgeries have limited our commercial actions and consequently led to a decrease in our turnover. Historically, the company has delivered double-digit growth and we remain confident that we will return to accelerated growth as early as the second quarter of 2021. At the same time, thanks to rigorous management, we have reduced our external and operational costs, enabling us to improve our operating profit by 10%. The refinancing of the group to the tune of almost €10M by ABO and state support in the last quarter of 2020 strengthens our ability to innovate and deploy internationally" comments Pierre Dumouchel, Chairman and CEO of the Safe Group "2021 is definitely a different year. Offering new technologies and re-inventing our Ready-to-use model is a priority. The construction of our innovation and integrated production site in Fleurieux, the development of SORA, the CE marking of new technologies in the coming days are important steps for our group. Finally, the growing adoption of ready-to-use technologies worldwide, including in the United States, reinforces our potential for double-digit growth by the summer and a clear improvement in our financial results in 2021. "

Cash flow

With a significant refinancing of €8.4m on Safe Orthopaedics at the end of the year and the receipt of a €0.8m stimulus grant and a €0.5m innovation loan from BPIfrance to Safe Medical, the group's cash position stood at €4.7m on 20 April 2021.

Agenda

Financial Communication	Date ¹
Turnover 1st half 2021	5 July 2021
Results 1st half 2021	30 September 2021
Turnover 3rd quarter 2021	07 October 2021
Turnover 2021	13 January 2022

¹ Note (*): Any publication will be made after market close. Information subject to change.



About Safe Group

Safe Group is a French medical technology company, composed of Safe Orthopaedics, pioneer of ready-to-use technologies for spinal diseases and Safe Medical (ex-LCI medical), subcontractor of medical devices for orthopaedics surgery. The Group employs around 150 employees.

Safe Orthopaedics 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) and subsidiaries in the UK, Germany, United States and in the Lyon area where the manufacturing company is located.

For more information: www.SafeOrthopaedics.com

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