



Safe reports first-half 2021 financial results and announces ISO13485 certification of its Safe Medical integrated manufacturing facility

- ▶ Sales up 22% in the first half of 2021 despite conservative plans in hospitals
- ▶ ▶ ISO13485 certification by AFAQ/AFNOR of the group's new industrial activities and start of integrated production by Safe Medical
- ▶ Operating profit of -€4M, at the level of the first half of 2019
- ▶ End of €8.4 million bond financing line

Éragny-sur-Oise, France, September 30th, 2021 at 5:35 p.m. CET – Safe (FR0013467123 – ALSAF), a company specialising in the design, manufacture and marketing of ready-to-use technologies for back surgery, with a particular focus on the safety of emergency vertebral fractures, publishes its half-yearly financial results as of June 30, 2021 and announces Safe Medical's ISO13485 integrated manufacturing certification.

Safe's half-year financial report will be available by September 30th in the Investors > Documentation section of the Company's website (www.SafeOrthopaedics.com).

Revenues as of June 30, 2021

<i>In thousands of euros – IFRS</i>	30/06/2021	30/06/2020
Revenues – Direct sales	773	882
Revenues – Indirect sales	556	843
Revenues - Production subcontracting	776	
Adjusted total revenues	2 105	1 725
Other income	4	3
Purchases used and changes in inventories	(1 425)	(1 211)
External costs	(973)	(939)
Personnel costs	(3 341)	(2 413)
Other operating expenses	(377)	(357)
Operating income / (loss) before non-recurring items	(4 006)	(3 191)
Other operating income (expenses)	(6)	0
Operating income / (loss)	(4 012)	(3 191)
Financial income / (loss)	(204)	(352)
Net income / (loss)	(4 216)	(3 543)

In the first half of 2021, sales rose by 22% (after application of IFRS 15) compared with the first half of 2020, despite the deployment of white plans in hospitals leading to the postponement of surgeries classified as "non-urgent". This change is mainly due to the integration of Safe Medical sales following its entry into the scope of consolidation at the end of July 2020. On a like-for-like basis, Safe Orthopaedics sales were down 23% despite strong growth of 190% in Germany (€197k in H1 2021 vs. €68k in H1 2020) and in



the United States, where the group has recruited a sales manager and initiated direct marketing.

The increase in personnel expenses, resulting from the integration of Safe Medical and its Tunisian subsidiary in July 2020 carried out to ensure a return to growth following the health crisis, combined with the control of external expenses and the correlation between the level of sales and purchases consumed, allow the group to post an OIR identical to that of the first half of 2019.

Since the acquisition of LCI Medical, renamed Safe Medical, the group has made significant investments in its French industrial site, subsidized to the tune of eight hundred thousand euros as part of the government's stimulus plan, and has announced the start of integrated production following the Safe Medical AFAQ certification audit and the annual audit by GMED, Safe Orthopaedics' notified body.



"Safe Group closes the first half of 2021 with an overall half-year sales growth of 25% {excluding IFRS15 impact} compared to the first half of 2020 driven by a 67% sales growth in the second quarter. In addition, our Group has completed its strategic transformation in record time: one year after the acquisition of LCI Medical, the certification of our integrated production site provides us with the means to accelerate our innovation, reduce our manufacturing lead times and secure the implementation of the new regulatory requirements imposed by the MDR," commented Pierre Dumouchel, Chairman and CEO of Safe Group. "The launch of Sicamore, Hickory and the finalization of SORA by Safe Orthopaedics, combined with Safe Medical's new industrial services, reinforces our strategy of being the leader in orthopaedic ready-to-use products, while providing our sales teams with the prospect of sustained growth in the coming quarters».

As a reminder, the revenue for the first half of 2019 was €2,041k and allows us to note that, despite the impact of the health crisis still being very significant in the first half of 2021, the group's revenue has exceeded its first half 2019 level.

Safe Medical's new ISO 13485-certified cleanroom infrastructure marks the beginning of the cleanroom packaging activity.

This new activity is designed to support Safe Medical's return to growth, which has already been observed in the first half of the year, and will enable the company to offer its customers the entire subcontracting chain, from production to packaging in an ISO 7 environment offering them reduced production times, cost savings and unique innovation support.



Cash position

At June 30, 2021, the Group's audited cash position amounted to €3.9 million, compared with €3.2 million at the end of June 2020. As a reminder, the balance of the stimulus package grant still to be received is €400k. In addition, as indicated in the conversion monitoring document for the second financing program, available on the company's website in the section Investors > Documentation, all of the OCEANE bonds in the program were converted by September 22, 2021.

Next financial publication

Third quarter 2021 sales, October 7, 2021 (after market close)



About Safe Group

The Safe Group is a French medical technology group that brings together Safe Orthopaedics, a pioneer in ready-to-use technologies for spinal pathologies, and Safe Medical (formerly LCI Medical), a subcontractor of medical devices for orthopaedic surgery. The group employs approximately 150 people.

Safe Orthopaedics develops and manufactures kits combining sterile implants and single-use instruments, available at all times to the surgeon. These technologies are part of a minimally invasive approach aimed at reducing the risk of contamination and infection, to the benefit of the patient and with a positive impact on hospitalisation times and costs. Protected by 18 patent families, SteriSpine™ kits are CE marked and FDA approved. Safe Orthopaedics is headquartered in the Paris region (95610 Eragny sur Oise - France) and has subsidiaries in the UK, Germany, the USA and the Lyon region where the manufacturing company is located. For more information: www.SafeOrthopaedics.com

Safe Medical (formerly LCI Medical) produces implantable medical devices and ready-to-use instruments. It has an innovation centre and two production sites in France and Tunisia, offering numerous industrial services: design, industrialisation, machining, finishing and sterile packaging. Supported by the French recovery plan in 2020, the company is investing in additive printing and will be operational in 2022 with this new technology. For more information: www.safemedical.fr

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