

2014 ANNUAL RESULTS AND Q1 2015 SALES

Lyon and New York, April 8th 2015 - The MEDICREA Group (Alternext Paris: FR0004178572 - ALMED), PEA-PME eligible, which specializes in the development and manufacturing of innovative surgical technologies for the treatment of spinal pathologies, announces its audited 2014 annual results (IFRS based), approved by the Board meeting of April the 2nd.

2014 Annual Results:

| € millions | 2013 | 2014 |
|--|------|-------|
| Sales | 22.9 | 24.2 |
| Gross margin | 18.3 | 19.6 |
| Gross margin (% of sales) | 80% | 81% |
| Operating profit before amortization and provisions (EBITDA) | 4.4 | 2.5 |
| Operating profit before share-based payments | 1.5 | (0.2) |
| Profit before tax | 1.3 | (0.7) |
| Net profit | 0.4 | (1.0) |

Despite a significant strengthening of the US dollar over the last quarter of the year, variations in average foreign currency rates between 2013 and 2014 had no significant impact on 2014 results.

Annual sales were up 6% following a substantial upturn in sales growth over the 2nd half of the year (+12% compared with the 2nd half of 2013) and the resolving of customs problems encountered in Brazil for almost a year. The Group now records 60% of its sales in the United States, its priority market, and has increased its market share by 30% in France, the global cradle of innovation for medical devices dedicated to the spinal column.

In 2014, the Group generated a gross margin of €19.6 million, up an additional €1.3 million compared with 2013, as a result of the increase in sales and the improvement in the margin, which now stands at over 81%. Hence, from the very beginning of 2014, the Group has implemented a very aggressive development phase by using all of the additional resources generated by its activity to:

- Strengthen its sales structure in the United States, deploy new international sales teams, and expand the Research & Development Department through the hiring of engineers specializing in new technologies - in particular 3D printing - which is currently being launched. In total, 17 people were recruited in 2014
- Obtain the CE mark and FDA approval, develop the necessary software and industrial tools for the launch of its UNiD™ customized rods with which close to 180 surgeries have already been carried out, including 37 in the United States
- Adapt its organizational structures to support initiatives designed to strengthen the teams and infrastructure devoted to IT systems.

“We want to double the Group’s size over the coming three years. Therefore, we need to reach certain milestones straight away by investing heavily in new technologies, notably in order to industrialize the manufacturing process for our customized rods. This is why we recorded a slight operating loss in 2014, compared with a profit the previous year”, says Denys SOURNAC, Chairman and CEO of MEDICREA.

Outlook:

“The efforts undertaken in 2014 will in large part be continued in 2015 and 2016”, Denys SOURNAC continues, *“with a twofold objective:*

- *Drastically reduce the development times of our new generations of products. The Group thus now has an integrated workshop dedicated to producing prototypes with the most efficient machines on the market*
- *Further improve our gross margins by increasing productivity and decreasing manufacturing times. Substantial industrial investments are currently being deployed in order to have in-house control over all of the new manufacturing technologies”*

In the 1st quarter of 2015, sales totaled €5.8 million, up 7% on the same quarter of 2014. *“In the United States, 20 new surgeons implanted UNiD™ customized rods for the first time during the 1st quarter of 2015, and we are hoping to see this new activity really takes off during the 1st half of 2016”,* Denys SOURNAC concludes.

Next publication:

Sales for the first half of 2015: July 8th, after market.

PEA-PME eligibility:

MEDICREA confirms its eligibility for the *PEA-PME* SME equity savings plan setup for the 2015-2016 period, in accordance with decree n°2014-283 of March 4th, 2014 published within the framework of the application of article 70 of the 2014 finance law n° 2013-1278 of December 29th, 2013 defining the conditions for companies to be eligible for *PEA-PME* SME savings plans: less than 5,000 staff, annual revenue of less than 1,500 million euros, total balance sheet of less than 2,000 million euros and autonomous as defined by CE 800/2008.

ABOUT MEDICREA (www.medicrea.com)

The MEDICREA Group specializes in the design, manufacture, and distribution of innovative proprietary technologies devoted exclusively to spinal surgery. Operating in a \$10 billion market, MEDICREA is a small to medium-sized business with 140 employees, including 40 at its MEDICREA USA Corp. subsidiary based in New York City.

The Company enjoys an excellent and ever-improving reputation, and develops unique scientific partnerships with some of the most visionary and creative spine surgeons in France, the UK, and the USA. The products developed and patented by MEDICREA provide neurosurgeons and orthopedic surgeons specializing in the spine with new and less-invasive surgical solutions that are faster and easier to implement than traditional techniques.

MEDICREA has also become a pioneer and global leader in the manufacturing of customized implants for personalized spinal surgery with the development of a comprehensive process incorporating the software analysis of each patient, the pre-surgical planning of the surgical strategy, and the production of customized spinal osteosynthesis rods (UNiD™ rod) and lumbar interbody osteosynthesis cages (UNiD™ ALIF cage) that are made to measure by a 3D printer.

The Group's headquarters are based near Lyon, France. It also has an implant and surgical instrument manufacturing facility located in La Rochelle, France, as well as three distribution subsidiaries in the USA, the UK, and France.

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