

Results for the 1st Half of 2016

Lyon and New York, September 22, 2016 – The Medicea Group (Alternext Paris: FR0004178572 - ALMED), pioneering the development and manufacture of personalized analytical services and implant solutions for the treatment of complex spinal conditions, announced 2016 half-year results to June 30, approved by the Board of Directors on September 19, 2016.

€ millions	H1 2015	H1 2016
Revenue	13.8	14.8
Gross margin as a % of sales	79%	81%
Operating profit before amortization and provisions	0.5	0.6
Operating profit before non-recurring expenses	(1.0)	(1.5)
Other non-recurring expenses	(0.1)	(1.2)
Current pre-tax profit	(1.1)	(2.9)
Net profit	(1.0)	(2.7)

The variations in exchange rate had no significant impact on results

H1 2016 revenue rose by 1 million euros, up 7% compared to the same period of 2015, driven by growth of +20% in France, the Group's historic market, and +13% in the US, a priority market that represents over 60% of sales.

Gross margin improved by 2 points compared to the first half of 2015 to reach €12 million, or 81% of revenues. This evolution of the gross margin reflects both the relevance of the industrial strategy and modernization of production means, in which Medicea has invested heavily since 2014, as well as the growing importance of the US market in sales revenues. To further control the gross margin, the Group is gradually changing its international distribution strategy to favor a direct market presence by opening new subsidiaries and signing cooperative agreements with its distributors.

"We are continuing our investment policy and increasingly intensifying our research and development efforts to promote our UNiD™ personalized spinal technology and services in the US and worldwide. The sales and marketing teams have been expanded notably with the establishment of our subsidiary in Germany whose contribution to Group revenue will not be seen substantially until 2017. Despite these significant costs, our operating income before depreciation and amortization remains positive, a slight increase over last year to 0.6 million euros," stated Denys Sournac, President and CEO.

In the first half of the year, an exceptional expense of €1.2 million was generated by the collective costs relating to the relocation of the production unit from La Rochelle to Lyon, France. The new facilities, which will group the production teams with research and development, sales and administrative support, will be operational in the 4th quarter of 2016.

In August, Medicea raised €20 million in financing, which consisted of €15 million in convertible bonds, held by Athyrium Capital Management, a US investor strongly regarded as a specialist in the sector, and €5 million in equity through a private placement, in which Denys Sournac, President and CEO, and Richard Kienzle, co-founder of Globus who joined the Medicea Group at this time, participated.

"The appointment of Richard Kienzle, as Chief Commercial and Business Development Officer, highlights his confidence in Medicea's unique opportunity in the marketplace and marks a new milestone in the Group's history. The proven industry experience that Richard Kienzle brings, combined with the significant resources provided as part of the fundraising, enables Medicea to secure our position as a pioneer and worldwide leader in personalized spine and to become a key player in the complex spine market," continued Denys Sournac.

The milestone of 1,000 UNiD™ surgeries is expected in the 4th quarter, with nearly half of those surgeries to take place in the United States where the technology's adoption has accelerated markedly in recent months.

Next publication: Sales for the 3rd quarter of 2016 published October 6, 2016, after market.

About Medicrea (www.medicrea.com)

Medicrea specializes in the design, manufacture, and distribution of innovative proprietary technologies devoted exclusively to spinal surgery. Operating in a \$10 billion market, Medicrea operates with 150 employees, including 40 at its Medicrea USA Corp. subsidiary based in New York City.

Medicrea is the only company to offer personalized value-based healthcare solutions to the global complex spine market. The Company has driven innovation in Spine by focusing development on market-disrupting technologies focused on patient outcomes, including the growing UNiD™ Technology Platform of Patient-Specific Implants and Analytical Services, which received the first-ever FDA Clearance in November 2014 for a personalized spinal treatment modality.

Medicrea has uniquely positioned itself outside of the traditional implant manufacturer's role in order to engage with each market player as a collaborator, offering customized implants to patients, personalized services to doctors and immediate cost-savings to providers. By leveraging its proprietary software analysis tools with big data technologies, Medicrea is well-placed to improve the efficacy of spinal care efficiency for all stakeholders in this market.

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