



2017: A YEAR OF GROUP ORGANIZATIONAL RESTRUCTURING
2018 Q1 SALES UP +17% (+25 % AT CONSTANT EXCHANGE RATE)
2018 Q1 UNiD ASI™ SALES UP +21% (+37 % AT CONSTANT EXCHANGE RATE)

Lyon and New York, April 5, 2018 - The Medicea® Group (Euronext Growth Paris: FR0004178572 - ALMED), pioneering the convergence of healthcare IT and next-generation, outcome-centered spinal device design and manufacturing with UNiD ASI™ (Adaptive Spine Intelligence) technology, publishes its 2017 IFRS annual results, as audited and approved by the Board of Directors on April 4, 2018, as well as its sales for the first quarter of 2018.

2017 ANNUAL RESULTS

(€ millions)	2016	2017
Sales	29.4	27.1
Gross margin (% of sales)	76%	73%
Operating income before amortization and provision (EBITDA)	0.3	(2.1)
Operating income / (loss) before non-recurring expenses	(4.5)	(7.6)
Other non-recurring expenses	(2.4)	(0.9)
Cost of net financial debt	(0.7)	(2.2)
Income / (loss) before tax	(7.8)	(11.2)
Net income / (loss)	(7.6)	(10.7)

Changes in exchange rates had no material impact on year to year comparison

Sales in 2017 amounted to €27.1 million, down 8% compared to 2016. Despite a 15% growth in sales on the French market, changes to the sales organization in the United States combined with the temporary absence of invoicing throughout 2017 in Brazil (the Group's leading export market excluding distribution subsidiaries) weighed on the development of the overall business.

The gross margin stands at 73%, down 300 basis points compared to the previous year due to a less favorable geographic mix of sales and temporarily higher production costs following the transfer of the La Rochelle, France production site to the new combined ultra modern headquarters in Lyon. The gross margin rate, however, recovered in the second half of the year and the improvement is expected to continue through 2018.

The Group continued its investment in research and development as well as commercial efforts to develop its UNiD ASI™ (Adaptive Spine Intelligence) products and services for patient-specific spine operations. This strategic choice along with the commissioning of new property infrastructures in Lyon and New York led to an increase in operating expenses of €0.6 million compared to 2016.

Given these points, operating income before amortization and provisions (EBITDA) posted a loss of - €2.1 million for the year compared with + €0.3 million in 2016. After accounting for depreciation and provisions, the operating result for 2017 is negative at - €7.6 million.

Other non-recurring charges amounted to €0.9 million and mainly included exceptional legal and restructuring costs. The cost of financial debt increased by €1.5 million following full-year accounting of IFRS interest and adjustments related to the convertible bond issue in August 2016. The current result before tax is - €11.2 million compared to - €7.8 million, as of December 31, 2016.

At December 31, 2017, the Group held a cash position of €12 million.

2018 FIRST QUARTER SALES

(€ millions)	Q1 2017	Q1 2018	Variation	Variation at Constant Exchange Rate
United States	3.9	3.6	- 7 %	+7 %
Rest of the World	3.1	4.5	+45 %	+45 %
Total Sales	7.0	8.2	+17 %	+ 25 %

Sales for the first quarter of 2018 totaled €8.2 million, up 25% at constant exchange rate compared with the first quarter of 2017.

In the United States, the reorganization of the sales force during 2017 is starting to bear fruit with a visible impact in the first quarter of 2018 on the evolution of the activity. In dollars, sales amounted to \$4.4 million, an increase of +7% compared to the first quarter of 2017. Driven by the increase in the number of personalized surgeries (+60%), the revenue generated by the UNiD ASI™ technology platform increased by 40% compared to the first quarter of the previous year and now represents 55% of total sales.

Outside of the United States, revenue jumped by 45%, supported by continued gains in market share in France where Medicea has become a leading player, and the launch of a new distribution subsidiary in Belgium in February 2018, which enabled the Group to begin directly invoicing hospitals within the country. As a result, sales in Belgium increased fivefold compared to the first quarter of 2017. The new subsidiary was created through a joint venture agreement with its historic distributor in this market, in which Medicea holds 51%.

By type of activity, the consolidated Group turnover in the first quarter of 2018 has evolved as follows:

(€ millions)	Q1 2017	Q1 2018	Variation	Variation at Constant Exchange Rate
Patient-specific sales activity with UNiD ASI™	1.9	2.4	+21 %	+37 %
Traditional sales activity with historic products	5.1	5.8	+9 %	+9 %
Total Sales	7.0	8.2	+17 %	+ 25 %

"After completing major steps in 2017 toward the Group's restructuring, including the consolidation of the French entities to a new site in the Lyon area, the reorganization of the sales force in the United States and the FDA clearance of new products, sales are growing again, and signs indicate a strong positive outlook for the coming months. We are developing our business by opening new markets, both through new distribution agreements and the launch of newly-formed marketing subsidiaries. In this vein, we announce the creation of Medicea Australia, formed through a joint venture similar to that successfully introduced in Belgium. With this, Medicea enters a robust and growing market that is among the most profitable in the world. We expect this subsidiary to contribute to the Group's revenues in the second quarter of 2018," stated Denys Sournac, President and CEO of Medicea.

"As a pioneer and worldwide leader in cutting-edge technologies for the design and manufacturing of personalized implants, we are continuing to develop our service offering thanks to the extensive data we have collected during the more than 2,200 UNiD ASI™ surgeries performed to date. We recently launched the commercialization of our in-house 3D printed titanium cages in the United States and will be offering new personalized devices and related services in 2018 to optimize the selection and number of implants used in spinal surgeries," Mr. Sournac concluded.

Next publication : Sales for the First Half of 2018 : Thursday, July 12, 2018, after-market.

About Medicea (www.medicea.com)

Through the lens of predictive medicine, Medicea leads the design, integrated manufacture, and distribution of 30+ FDA approved spinal implant technologies that have been utilized in over 150,000 spinal surgeries to date. By leveraging its proprietary software analysis tools with big data and machine learning technologies and supported by an expansive collection of clinical and scientific data, Medicea is well-placed to streamline the efficiency of spinal care, reduce procedural complications and limit time spent in the operating room. Operating in a \$10 billion marketplace, Medicea is a Small and Medium sized Enterprise (SME) with 175 employees worldwide, which includes 50 who are based in the U.S. The Company has an ultra-modern manufacturing facility in Lyon, France housing the development and production of 3D-printed titanium patient-specific implants.

For further information, please visit: Medicea.com.

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Medicea

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