



Medicrea Reports First Half 2018 Results

Lyon and New York, September 19, 2018 – The Medicrea Group (Euronext Growth Paris: FR0004178572 – ALMED, PEA-PME eligible, and OTCQX: MNRTY and MNRTF), pioneering the transformation of spinal surgeries through Artificial Intelligence, predictive modeling and patient specific implants with its UNiD™ ASI (Adaptive Spine Intelligence) technology, has today published its unaudited results for the first half of 2018, as approved by the Board of Directors on September 12, 2018.

(€ millions)	H1 2017	H1 2018
Sales	14.7	16.9
Gross margin (% of sales)	73%	68%
Operating income/(loss) before amortization and provision (EBITDA)	(1.0)	(1.6)
Operating income/(loss) after amortization and provision (EBIT)	(3.6)	(4.6)
Other non-recurring expenses	(0.2)	(0.4)
Cost of net financial debt	(1.4)	(1.1)
Income/(loss) before tax	(5.5)	(6.5)
Net income/(loss)	(5.1)	(6.5)

First Half 2018 Results

Sales for the first half of 2018 amounted to €16.9 million, marked by two quarters of record invoicing in 2018 resulting in growth of 15% in comparison with the first half of 2017 and 22% at constant exchange rates. The 50% increase in personalized UNiD ASI™ surgery in the United States, the recovery of sales in Brazil, the strengthening of market share in France and the opening of new subsidiaries (Belgium and Australia) are behind this performance.

Gross margin, down in comparison with the first half of 2017, was impacted by a number of one-off factors: the unfavorable currency effect of the dollar/euro conversion, a different mix of sales in comparison with the same period of 2017 and some exceptional inventory discrepancies. The decrease in sub-contracting expected during the second half of the year should have a favorable impact on the gross margin rate.

Operating expenses increased by €1.8 million as a result of Research & Development investments to complete the range of UNiD ASI™ products and services, and the integration of the marketing and administrative expenses of the newly-created subsidiaries.

The operating loss for the first half-year stood at €4.6 million and the loss before tax, after taking into account the cost of net financial debt, was €6.5 million.

Cash at June 30, 2018 amounted to €5.1 million, strengthened by the €3.1 million equity raise which took place beginning of July.

Outlook

Net loss for the first half of 2018 reflects the significant and necessary investments made by the Group to gain recognition for its position as a leading and strategic player in the field of personalized spine surgery.

The spinal market has entered a period of consolidation with 12 merger-acquisition transactions over the last 12 months, including two major deals announced very recently with the purchase in the United States of K2M by Stryker, and of Surgimap, a surgical planning software developer, by Globus Medical.

This trend reflects the growing interest of leading market players in planning tools solutions for the treatment of spinal pathologies. Medicea has established itself as the worldwide leader and has set the industry standard in the segment by being the only company to date to use cutting-edge analysis tools based on artificial intelligence and predictive modeling to offer customized implants to treat each patient's individual pathologies.

Medicea's UNiD ASI™ technology is therefore becoming increasingly popular with surgeons who are incorporating it into their day-to-day practice: to date, more than 2,800 patients have been operated on using personalized implants, and the number of UNiD ASI™ procedures performed in the United States has grown by 60% in relation to 2017.

"The approach we have developed is specific and tailored to each patient. It will become a standard of care and replace the traditional approach of spinal surgery, which has used commoditized implants for many years." said Denys Sournac, Chairman and CEO of Medicea.

Medicea continues to consolidate its presence and visibility on the US territory

In July 2018, 4 US-based international institutional investors participated in a capital increase worth €3.1 million through the issue of ordinary shares with warrants attached (€4.8 million in the event of all the warrants being exercised).

Since August 28, 2018, Company's securities are traded on the US OTCQX Best Market ("OTCQX"). In addition to trading on the Euronext-Growth market, this listing will give Medicea the opportunity to increase its visibility within the US and grow its investor base.

Medicea will be attending the 33rd annual meeting of the North American Spine Society ("NASS") which will be held between September 26 and 29, 2018 in Los Angeles, California. During this major conference, the Company will present the latest innovations from its proprietary UNiD ASI™ (Adaptive Spine Intelligence) patient-specific technology for personalized spine surgery to leading orthopedic surgeons.

Next publication: Sales for the 3rd quarter of 2018: October 11, 2018, after market.

About Medicea (www.medicea.com)

Through the lens of predictive medicine, Medicea leverages its proprietary software analysis tools with big data and machine learning technologies supported by an expansive collection of clinical and scientific data. The Company 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 200 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: www.medicea.com

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Medicrea

Denys SOURNAC
Founder, Chairman and CEO dsournac@medicrea.com

Fabrice KILFIGER
Chief Financial Officer
fkilfiger@medicrea.com
Tel: +33 (0)4 72 01 87 87

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LEI: 969500BR1CPTYMTJBA37**



**Medicrea is traded on
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