



## Medicrea Reports Third-Quarter Results

*Third quarter sales increased by 14%*  
*Gross margin improved to 73%*  
*Positive EBITDA generated in the third-quarter*  
*Net loss reduced by 45%*

**Lyon and New York, November 15<sup>th</sup>, 2018** - The Medicrea Group (Euronext Growth Paris: FR0004178572-ALMED ; OTCQX Best Market – MRNTY & MRNTF), pioneering the transformation of spinal surgery through artificial Intelligence, predictive modeling and patient specific implants with its UNiD™ ASI (Adaptive Spine Intelligence) proprietary software platform, services and technologies, has today published its unaudited results for the third quarter of 2018.

(€ millions)	Q3 2018	H1 2018	YTD September 2018	YTD September 2017
Sales	7.3	16.9	24.2	21.1
Gross margin (% of sales)	73%	68%	69.4%	73%
Operating income/(loss) before amortization and provision (EBITDA)	0.1	(1.6)	(1.4)	(1.4)
Operating income/(loss) after amortization and provision (EBIT)	(1.4)	(4.6)	(6.0)	(5.3)
Other non-recurring expenses	(0.1)	(0.4)	(0.5)	(0.3)
Cost of net financial debt	(0.5)	(1.1)	(1.6)	(2.2)
Income/(loss) before tax	(2.2)	(6.5)	(8.7)	(8.3)
Net income/(loss)	(2.0)	(6.5)	(8.5)	(8.2)

Sales amounted to € 7.3 million for the third quarter of 2018, up 14% compared to the third quarter last year. Medicrea has delivered sustainable growth since the beginning of the year, driven by the acceleration of UNiD™ surgeries in the United States of over 90% in the third quarter of 2018.

Third-quarter gross margin improved by 5 percentage points to 73% as a result of better productivity, the reduced use of subcontracting, and a favorable sales mix related to the increase in US revenues.

The reduction in commercial and administrative expenses over the quarter, combined with the increase in the gross margin, enabled the Group to post positive operating income before amortization and provisions (EBITDA), and also led to a sharp reduction in current operating losses compared to previous quarters. Following this trend, the net loss of the third quarter decreased more than 45% compared to the previous quarter.

« Our financial performance for the third quarter of 2018 marks a significant turning point compared to previous periods and the improvement in results should continue over the coming months. The gross margin should gradually return to levels above 75% and we anticipate that EBITDA will remain positive. Given current operating trends, we are targeting EBIT break-even in Q3 2019. » commented Denys Sournac, President and CEO of Medicrea.

**Next publication:** 2018 Annual Sales on January 15, 2019 after market.

## About Medicrea ([www.medicrea.com](http://www.medicrea.com))

Through the lens of predictive medicine, Medicrea 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, Medicrea 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: [Medicrea.com](http://Medicrea.com).

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