



MEDICREA IS PROTECTED FROM THE CONSEQUENCES OF THE COVID-19 PANDEMIC

Lyon and New York, March 20, 2020 – The MEDICREA® Group (Euronext Growth Paris: FR0004178572 – ALMED ; OTCQX Best Market –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, communicates on the consequences on its activity of the COVID-19 pandemic and the measures it has taken to deal with it.

MEDICREA® wishes to inform all of its shareholders as well as the financial markets, with the utmost transparency, of the economic impact on its business and on companies within the orthopaedic industry of the very strong and recent spread of the COVID-19 virus.

In all the countries where MEDICREA® markets its technologies, its end-customers are public hospitals and private clinics. In France, a large part of its sales is generated with public and private hospitals already on alert and requisitioned by the health authorities to treat patients infected with the virus and suffering from a very severe form of the pathology. With the very rapid spread of the disease and the transition to epidemic phase "3" of the sanitary plan, the health system is now fully mobilized and all health care units (in addition to those already identified as COVID-19 centers) are requisitioned to participate actively in the care of patients requiring urgent breath treatments.

In this context, almost similar in all European countries and in the United States, a rapid saturation of all health care systems, at international level, is inevitable in the relatively short term.

In recent days, MEDICREA® has seen nearly a total stop and postponement of all spinal surgeries which have been planned for weeks, particularly for patients with major deformities and degenerative pathologies, so that all hospital operational resources can focus on the urgent treatment of the many patients expected to be severely affected by COVID-19.

These postponements have been in effect in France and Spain since March 12 and in Belgium since March 16. In the United States, the main market for MEDICREA®, the first postponements of surgeries have been announced since March 17 and the trend is accelerating every day.

In all Group subsidiaries, MEDICREA® sales representative who visited hospitals and clinics on a daily basis can no longer access these facilities. Daily sales have therefore decreased significantly since March 12. Year-to-date, the Company recorded an increase in its global sales of more than 15% for the first quarter of 2020 and an increase of 44% in the number of UNiD® patient-specific surgeries (+60% for the US market alone).

Given the drastic containment measures already taken or to be taken by all countries in the world in the next few days, this health crisis should be completely contained by September 2020.

MEDICREA® has quickly re-organized itself to cut most of its expenses in order to pass through nearly no billings in the 2nd quarter of 2020 to foresee a gradual resumption of spinal surgeries, country after country in the course of the 3rd quarter 2020.

All French and Belgian employees, including all members of the management executive team, have been on partial unemployment (employees' salaries are now sponsored by the Government) since March 16 for an indefinite period but which will probably be at least two or even three months.

The Group has negotiated with its main suppliers to postpone orders and deliveries to the 3rd quarter.

Landlords in the Lyon and New York offices have already agreed to postpone the collection of rents for the coming months.

Banking partners, including BPI (Public Investment Bank), have taken the necessary steps to defer loan repayments or lease payments until the end of September.

The payment of social and tax contributions is postponed for all companies.

MEDICREA® is expected to rapidly collect the 2019 research tax credit (€1 million), which was filed at the end of January.

The Group's efforts are currently focused on the re-formatting of its subsidiary in the United States in anticipation of the exceptional measures that the U.S. Administration is expected to announce very soon to support companies and their employees.

Despite this exceptional and difficult context, MEDICREA® benefits from two extremely favorable factors:

1- The Group raised funds at the end of January 2020 for €8.5 million. To date, without taking into account the collection of the research tax credit, the cash position is close to €9 million, and the amount of customer invoices to be collected stands at €4.6 million. Consequently, by taking all measures to economize and consume its cash as slowly as possible, the Group is well prepared to face this crisis for several months and to redeploy under very good conditions to take advantage of the strong rebound that is foreseeable from the 3rd or 4th quarter;

2- MEDICREA® will automatically benefit from a powerful "catch-up effect" at the end of the crisis. Indeed, all patients who need spinal surgeries will have to reschedule them with their surgeons. These patients suffer greatly, they no longer have a normal life and there is no alternative to the surgeries that were scheduled with MEDICREA® implants, even though they can generally wait and endure a postponement of their operation by two or three months.

Regarding the strategic discussions mentioned in the press release of January 8, 2020, these have continued regularly, adapting to the material restrictions, including travel restrictions, which the epidemic has generated. With the health crisis now hitting the United States, there is no doubt that major American orthopedic and medical technology companies will have to temporarily suspend their strategic priorities to address short-term emergencies. The conclusion of one of the potential transactions we were working on will most likely be delayed until the second half of 2020.

Next publication: 2019 Annual results : April 9, 2020 before market.

About MEDICREA® (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 180 employees worldwide, which includes 40 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.

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