



Safe Orthopaedics enters into exclusive negotiations for the acquisition of LCI Medical

- ▶ Establishment of an integrated player, leader in ready-to-use products for spinal surgery
 - ▶ Financial balance of the new organization targeted for the beginning of 2022
 - ▶ New growth and industrial partnerships opportunities
-

Éragny-sur-Oise, France, May 6 2020, 18h00 CET – Safe Orthopaedics (FR0013467123 – ALSAF), a company specializing in the design and marketing of ready-to use kits including implants and single-use instruments, new and sterile, for the mini-invasive surgery of spinal fracture, enters into exclusive negotiations for the acquisition of the medical device manufacturer LCI Médical (Fleurieux-sur-l'Arbresle, France).

Establishment of a leading group in the area of ready-to-use products

As an innovator and pioneer, Safe Orthopaedics has been the first actor to make available, for spinal surgeons, “ready-to-use” kits (implants and instruments) for spinal surgeries. With the adoption of this model in 24 countries and the growing demand, the company wishes to sustain its leadership position by incorporating the entire production value chain: conception, technology, production, distribution and hospital services.

As an historical and strategic supplier of Safe Orthopaedics, LCI Médical has shown its ability to industrialize high-quality implants and instruments, in line with specific constraints for the ready-to-use model. The company has two production sites, in France and in Tunisia. The company achieved a turnover of 2,6M€ in 2019 and displays a positive net result since its establishment. Its customers are medical device manufacturers in the spine, hip and maxillofacial surgery market. Safe Orthopaedics covers more than 30% of LCI Medical turnover.

The combination with LCI Médical will allow Safe Orthopaedics to deploy its expertise in other orthopaedic segments, through different channels: on its behalf, subcontracting and for third parties, as an original equipment manufacturer (OEM), or as part of co-development. LCI industrial facilities will be reinforced in order to meet the need of innovation of Safe Orthopaedics, but also to offer current LCI Médical customer new industrial services.

The synergies generated through the incorporation of LCI Medical will ultimately be reflected in an enhancement of the gross margin on Safe Orthopaedics products, as well as in a significant decrease in the working capital requirement, thanks to the minimized delays between production and sale.



Jean-Marc Feige, Chief Executive Officer of LCI Medical, comments: "Since the establishment of our company, Safe Orthopaedics is a major customer that always pushed us to innovate and develop our industrial tool, from machining to completion of medical implants and instruments, from injection to delivery of clean components. In parallel, our international structure allowed Safe Orthopaedics to develop quality technologies meeting the strict criteria for single-use. We are glad today of the merger of our two companies. In the context of a commercial conquest perspective and a permanent concern for innovation, we will develop our industrial capacities further, in particular on our French site in the Lyon region, in order to serve future technologies of the Group, while offering a larger scope of benefits to our customers."

Pierre Dumouchel, Chief Executive Officer of Safe Orthopaedics, states : *"Safe Orthopaedics has been a pioneer by launching on to the market the first "ready-to-use" technology for spinal surgery. We are proud that, in only 6 years, more than 16500 patients in 24 countries benefited from our innovations. Listening to our customers, with the will to offer a short cycle of innovation and innovative commercial and logistics services, we have been working for several quarters on transforming our company. The acquisition of LCI Médical will allow us to reinforce our leader position through partnerships with manufacturers and/or industrial subcontracting with a strong value added. Finally, by combining the organic growth of spinal activity and the acquisition of a structurally profitable subcontracting activity, we predict to be able to achieve financial balance in the beginning of 2022."*

Acquisition terms

Finalization of the acquisition is expected for July 2020. Safe Orthopaedics plans to finance this operation in shares and in cash. LCI Médical shareholders will receive new Safe Orthopaedics actions, whose price will be established on the basis of a valuation of Safe Orthopaedics of 6,1M€. Safe Orthopaedics will in parallel resort to the funding arrangement through the emission of OCABSA currently at its disposal. The issuance of shares for payment of the acquisition will be put to a vote at the shareholders general meeting in July 2020.

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company, a pioneer of the design and marketing of innovative ready-to-use technologies (single-use implants and instruments) for spinal diseases, delivering the safest treatment of spinal fractures. The technologies include sterile implants and ready-to-use instruments available to the surgeon anytime and anywhere, enabling minimally invasive approaches, reducing the risks of cross contamination and infection in the interest of the patient. Protected by 17 patent families, the SteriSpine™ Kits are CE marked, FDA and CFDA approved. Safe Orthopaedics, has its headquarter close to Paris (95610 Eragny-Sur-Oise - France) and has created a subsidiary in the UK, Germany and in the US, employing around 50 employees for a total sales of 4.7M€ in 2019.

For more informations : www.SafeOrthopaedics.com



Contacts

Safe Orthopaedics

François-Henri Reynaud

Chief Financial Officer

Tél. : +33 (0)1 34 21 50 00

investors@safeorthopaedics.com



Investor Relations

NewCap

Mathilde Bohin / +33 (0)1 44 71 94 94 / SafeOrtho@newcap.eu

Press Relations

Ulysse Communication

Bruno Arabian / 06 87 88 47 26 / barabian@ulyse-communication.com

Nicolas Daniels / 06 63 66 59 22 / ndaniels@ulyse-communication.com