

SpineGuard reports 2018 revenue of €7.6M

Company historical record of DSG® units sold over 9,000

US sales growth 0.5% on constant currency bases (cc)

Over 120 DSG ‘smart’ screw surgeries in the US, a 50% growth over prior year

Positive EBITDA in the 4th quarter

US operations net income positive

PARIS and SAN FRANCISCO, Jan. 24, 2019 – 18:00 CET – SpineGuard (FR0011464452 – ALSGD), an innovative company that designs, develops, and markets disposable medical devices intended to make spine surgery safer by bringing real-time digital technology into the operating room reported today its preliminary unaudited consolidated full-year 2018 revenue, EBITDA and cash position.

Stéphane Bette, CEO and co-founder of SpineGuard, said: *“In 2018, SpineGuard successfully undertook a strategic maneuver. Our main objectives were both to achieve EBITDA breakeven and continue to deploy the Company’s technological platform into new applications. We also wanted to keep our commercial footprint in what is a complex market being upended by the massive influx of sophisticated surgery assistance platforms. We are therefore pleased with the results for the year: a positive EBITDA in the 4th quarter; confirmation of the clinical and economic value of the DSG screw shown by a significant increase of the number of surgeries; exciting developments and first commercial availability for the dental market with a 2018 CE mark; and, our partnership in robotics with the university in Paris. We achieved these results while maintaining our US revenue and preparing the conditions for a success in China. In 2019, we intend to continue to innovate and create strategic value by launching a new generation of products with the addition of visualization of the DSG signal to the audio feedback. We will also invest into our research program to develop our clinical and scientific data for the robotic usage of the DSG technology.”*

€ thousands - IFRS	2018	2017	Variance
First Quarter	1,769	2,169	-18%
Second Quarter	1,857	2,030	-8%
Half-Year	3,626	4,199	-14%
Third Quarter	1,879	1,793	+5%
Fourth Quarter	2,070	2,182	-5%
Second Half	3,949	3,975	-1%
Full year	7,575	8,174	-7%

Unaudited

For the full year 2018, 9,001 DSG enabled devices were sold compared with 8,764 in FY 2017 (+3% growth). 5,336 units were sold in the United States, representing 59% of total units sold compared to 5,303 units in 2017(+1% growth). Revenue from the USA increased by 1% to \$ 7,557k compared with \$ 7,517k in FY 2017.

In the rest of the world, while units sold increased by +6%, revenue ended at €1,164k vs. €1,514 in FY 2017 a decrease of -23%.

The consolidated revenue decreased by -4% cc (-7% on reported bases)

PRELIMINARY NON-AUDITED FINANCIAL INFORMATION

EBITDA is expected to be positive for the fourth quarter of 2018 and also expects a close to breakeven EBITDA over the second half of 2018 (vs. € -1,0M over the same period in 2017).

SpineGuard also expects full-year positive net income for its US operations for the first time in 2018.

The cash position at year-end of €1.1M plus the secured convertible bond facility for €2.8M means that the total cash available to the Company is €3.9M. The Company, by reaching certain revenue milestones, could also draw the second tranche of a venture loan for a total €1.5M.

These preliminary results are unaudited and are based on management's initial analysis of operations for the period ended December 31, 2018, and are therefore subject to change. The company expects to announce its full year 2018 financial and operating results on March 14, 2019.

Next financial press release: 2018 annual results on March 14, 2019.

About SpineGuard®

Founded in 2009 in France and the USA by Pierre Jérôme and Stéphane Bette, SpineGuard is an innovative company that designs, develops, and markets disposable medical devices intended to secure the placement of implants in the skeleton. SpineGuard's primary objective is to establish its proprietary real-time digital DSG® (Dynamic Surgical Guidance) technology as a standard of care worldwide, the next step being its integration into robotic platforms. PediGuard®, the first device embedding DSG®, was co-invented by Maurice Boursion, Ph.D., Ciaran Bolger, M.D., Ph.D., and Alain Vanquaethem, Biomedical Engineer. It is the world's first and only handheld device capable of alerting surgeons to potential pedicular or vertebral breaches. Over 60,000 surgical procedures have been performed worldwide with DSG® enabled devices. Numerous studies published in peer-reviewed scientific journals have demonstrated the multiple benefits DSG® offers to patients, surgeons, surgical staff and hospitals. Building on these solid fundamentals, SpineGuard deploys its technology platform in a disruptive innovation: the « smart » pedicle screw launched late 2017 and is broadening the scope of applications in dental implantology and surgical robotics. SpineGuard has offices in San Francisco and Paris. For further information, visit www.spineguard.com.

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