

Morning Note – 11th September 2025

SPINEGUARD

H1: significant improvement in operating income

- A new organization, an optimized cost structure
- Bridge financing to achieve break-even by the end of 2026
- The medium-term outlook remains positive

Initial effects of operational optimization

SpineGuard published its half-year results yesterday evening. Revenue of EUR2.12 million, already known, is down 13% (see our comment of July 10). The gross margin stands at 78.5% (-1%), slightly impacted by lackluster sales in the United States (high-margin products). The key takeaway from these figures is the optimization achieved at all levels of the company. The cost-cutting plan affects the sales department (-45%), administrative functions (-7%) and R&D (-24%) in line with a prioritization of projects delivering short-term technical or regulatory results. The operating loss was thus reduced to EUR-0.74 million (vs. EUR-1.61 million in H1 2024). A financial charge of EUR340k (cost of debt and miscellaneous expenses) impacts the bottom line. The net loss for the period nevertheless improved by EUR 519k (EUR -1.08 million vs. EUR -1.60 million in H1 2024). Excluding the financial expense, these figures are broadly in line with our expectations. We expect further optimizations in H2. As of August 31, the cash position was EUR 591k.

A reaffirmed goal of achieving profitability quickly

In the press release, management reiterates its goal of delivering positive operating income within 12-18 months. The adaptation of the business model in the United States should contribute to the achievement of this goal. Indeed, the announced transfer of the local subsidiary to partner Omnia Medical will result in substantial savings (overhead costs, staff, etc.). The selling price of products will logically be lowered, but the gain will be real because the previous structure did not have the critical mass in terms of product range to offset operating costs. The question of the operational implementation of the transfer remained unresolved. Management has indicated January 2026, a delay linked to the settlement of bond debt (Norgine and Harbert loans). It is therefore in 2026 that we will see the effect of the new organization and the savings achieved. In order to provide flexibility, SpineGuard has announced the implementation of bond financing of up to EUR1 million (Hexagon).

Update on projects under development

Beyond the implementation of the new organization, the company is making progress in preparing for new growth drivers. On the regulatory front, discussions with the Chinese authorities are constructive and give hope for approval of the XS and curved versions of PediGuard towards the end of the year or early 2026. These approvals will complement those already obtained for the classic range. Local commercial partner XinRong Medical is eagerly awaiting these new products to accelerate sales, as they are well suited to the expectations of its local market. Regarding the new devices, advances are

France - Medtech

BUY

Fair value (EUR)	0.63
Price (EUR)	0.0872
Upside/down side	+622.5%

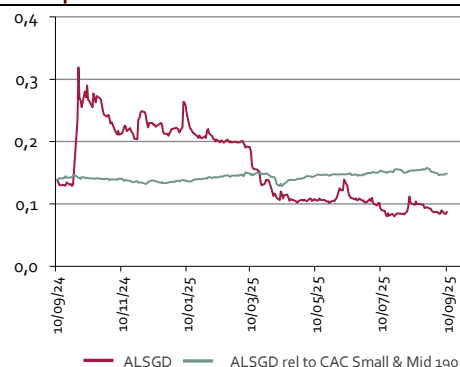
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Stock data (2025-09-10)

ISIN	FR0011464452
Ticker	ALSGD.PA
Price (EUR)	0.0872
Market capitalisation (EURm)	5.5
Free float (%) est.	95.6
Floating capitalisation (EURm)	5.3
Number of shares (,000)	63,023
Average daily volume (3 m)	385,912

12m performance



Change (%)	1 m	3 m	12m
Absolute	-16.2	-23.5	-37.0
Rel. to CAC SM190	-3.4	-0.1	7.4
Rel. to Next Biotech	-33.9	-61.1	-75.4

Financials (31/12)

EURm	2024	2025E	2026E	2027E
Sales	4.6	4.6	4.6	5.7
EBITDA	-3.1	-0.1	0.2	0.8
EBIT	-3.1	-0.4	-0.1	0.5
Net income	-3.1	-0.7	-0.3	0.3
EPS (EUR)	-0.05	-0.01	-0.01	0.00
Net debt	1.8	1.1	1.0	0.3

Key ratios

	2024	2025E	2026E	2027E
EV/Sales	3.0x	1.4x	1.3x	1.0x
EV/EBITDA	na	na	34.3x	6.6x
EV/EBIT	na	na	na	10.7x
PER	na	na	na	16.8x
ROIC	na	na	na	10%
ROE	na	na	na	6%
EV/IC	2.5x	1.2x	1.2x	1.1x
Gearing	46%	25%	23%	6%

expected in the coming quarters:

- **Bone drilling assistance devices in orthopedics:** the results obtained in drill guidance equipped with DSG technology show that automatic stopping is possible in the event of bone breach. Making the delicate drilling phase safer is a major advantage that is attracting interest from industry players.
- **Smart pedicle screw developed with Omnia Medical:** it must be acknowledged that this project is taking a little longer than expected, but Omnia has finally achieved a key objective in terms of the reliability and durability of the "screw" component, which now makes it possible to finalize the device. It now seems possible that registration documents could be submitted within six months. Subject to FDA approval, a commercial launch could take place in the second half of 2026.
- **Robot-assisted bone resection:** following on from the Faros project, SpineGuard is exploring the application of DSG to bone resection, which could be performed using robots. The use of robots in this indication has not yet been exploited, but demand is high (high-potential market). DSG represents a very useful technological building block for making this procedure safer and should sooner or later attract the interest of robotics players looking for differentiating features.

Valuation and rating

The published results show a very positive trend and lend credibility to the scenario of achieving operational break-even by the end of 2026. We are awaiting the publication of the financial report to adjust our model and take into account the impact of the new organization in the United States. To date, the stock is trading at levels that do not reflect the value of its assets. The period of dilution caused by repeated refinancing should come to an end with the next generation of positive cash flow. DSG has its place in the world of traditional and robotic surgery. The fundamentals remain solid and new projects are generating interest. We therefore remain positive on the stock.

Next communication : Q3 revenues on October 09th

Profit and Loss

As of 31/12 (EURm)	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	4.85	4.41	5.60	4.31	4.65	4.56	4.63	5.67
Change n-1	-29.0%	-9.2%	27.1%	-23.0%	7.8%	-1.9%	1.6%	22.3%
Other revenues	-	-	-	-	-	-	-	-
Total revenues	4.85	4.41	5.60	4.31	4.65	4.56	4.63	5.67
Gross margin	4.04	3.61	4.71	3.38	3.63	3.33	3.10	3.80
EBITDA	-1.49	-1.04	-1.37	-3.68	-3.12	-0.13	0.18	0.83
Change n-1	-993%	30%	-31%	-169%	15%	96%	237%	-361%
Depreciation & amortisation	0.35	0.31	0.43	0.16	-0.05	0.31	0.32	0.33
Goodwill	-	-	-	-	-	-	-	-
EBIT	-1.84	-1.35	-1.66	-3.98	-3.06	-0.44	-0.13	0.51
Change n-1	-326%	27%	-23%	-139%	23%	86%	69%	476%
Net financial income	-0.84	-0.30	-0.43	-0.23	-0.02	-0.16	-0.14	-0.13
Minorities	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net profit before tax	-2.68	-1.65	-2.09	-4.20	-3.08	-0.59	-0.28	0.37
Tax	-0.04	-0.08	-0.30	0.02	-	-0.07	-0.07	-0.07
Net in come	-2.72	-1.72	-2.39	-4.18	-3.08	-0.66	-0.35	0.30
Change n-1	-296%	37%	-39%	-75%	26%	78%	48%	188%
EPS	-0.12	-0.06	-0.07	-0.09	-0.06	-0.01	-0.01	0.01
EPS fully diluted	-0.10	-0.05	-0.07	-0.08	-0.05	-0.01	-0.01	0.00
Gross margin (% of sales)	83.2%	81.9%	84.2%	78.3%	78.0%	73.1%	67.0%	67.1%
EBITDA (% of sales)	na	na	na	na	na	na	3.9%	14.6%
EBIT (% of sales)	na	na	na	na	na	na	na	8.9%
Net margin (% of sales)	na	na	na	na	na	na	na	6.6%

Cash Flow statement

Au 31/12 (MEUR)	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net income	-2.72	-1.72	-2.39	-4.18	-3.08	-0.66	-0.35	0.30
Depreciation and amortisation	0.35	0.31	0.43	0.16	-0.05	0.31	0.32	0.33
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in WCR	0.64	-0.09	-0.51	-0.10	-0.11	-0.21	0.02	-0.01
Others	1.04	0.35	1.07	0.51	0.62	0.56	0.54	0.53
Cash-flow from operations	-0.68	-1.16	-1.40	-3.62	-2.63	-0.01	0.53	1.16
Capex	-0.05	-0.04	-0.14	-0.07	-0.06	-0.08	-0.08	-0.08
Free cash flow	-0.73	-1.19	-1.54	-3.69	-2.69	-0.09	0.45	1.08
Acquisitions	-	-	-	-	-	-	-	-
Divestments	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital increase	1.75	6.51	1.20	4.77	0.71	0.70	-	-
Financing (bank and others)	0.00	-	-	-	0.09	-	-	-
Others	-0.99	-0.91	-1.09	-1.09	-1.09	-0.53	-0.51	-0.45
Change in cash over the period	0.03	4.41	-1.44	-0.01	-2.99	0.08	-0.06	0.63
Opening cash position	1.40	1.22	5.21	4.12	2.87	0.72	0.80	0.74
Closing cash position	1.22	5.21	4.12	2.87	0.72	0.80	0.74	1.37

Balance sheet

Au 31/12 (MEUR)	2020	2021	2022	2023	2024	2025E	2026E	2027E
Fixed assets	0.50	0.37	0.28	0.23	0.39	0.27	0.14	0.01
Intangible assets	0.69	0.89	1.27	1.24	1.42	1.31	1.20	1.10
Goodwill	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.66	0.68	0.87	0.95	0.86	0.71	0.72	0.88
Account receivables	0.71	0.62	1.10	0.75	0.62	0.89	0.91	1.11
Other receivables	0.67	0.57	0.63	0.73	0.84	0.91	0.89	0.91
Cash and cash equivalents	1.22	5.21	4.12	3.89	0.72	0.80	0.74	1.37
Prepaid expenses	-	-	-	-	-	-	-	-
Other non-current assets	0.51	0.48	0.17	0.17	0.29	0.29	0.29	0.29
Total assets	8.06	11.90	11.50	11.04	8.23	8.27	7.98	8.74
Equity	-0.01	5.06	5.14	6.03	3.90	4.54	4.42	4.91
Others	-	-	-	-	-	-	-	-
Provisions	0.05	0.05	0.18	0.03	0.06	0.05	0.05	0.04
Financial debt	5.64	4.47	3.83	3.09	2.51	1.95	1.76	1.66
Account payables	1.34	1.00	1.14	1.21	1.19	1.17	1.19	1.45
Other debts	0.88	1.00	1.00	0.67	0.54	0.54	0.54	0.65
Deferred income and other liabilities	0.15	0.32	0.21	-	0.03	0.03	0.03	0.03
Total liabilities	8.06	11.90	11.50	11.04	8.23	8.27	7.98	8.74

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