

SpineGuard reports 2019 revenue of 6.8 M€

New products (“smart screw“, PediGuard Threaded and dental) grow +26%
Positive consolidated EBITDA in the second half
US Operations net income positive for the full year

PARIS and BOULDER (CO), January 29, 2020 – SpineGuard (FR0011464452 – ALSGD), an innovative company that deploys its DSG® (Dynamic Surgical Guidance) sensing technology to secure and streamline the placement of bone implants, reported today its preliminary unaudited consolidated full-year 2019 revenue, EBITDA and cash position.

Stéphane Bette, CEO and co-founder of SpineGuard, said: *“In 2019 SpineGuard found its balance while affirming its strategic turn. The company reorganized in order to reach positive EBITDA and focus on innovation. We reduced significantly our commercial expenses toward historical products, whose sales were declining, and focused on our most recent products which are growing: the “smart” screw and the PediGuard Threaded. We kept investing in R&D in the robotic application of our DSG technology and the preparation for the launch of our new platform DSG Connect. These innovations are synergistic, value-creating and feed our search for strategic alliances with industry players in our sector. On those fundamentals, we are confident to reach our goals in 2020 on the financial front, but also commercially with the launch of a new generation of products and a strategic move in the field of robotics where we received marks of interest.”*

€ thousands – IFRS	2019	2018	Variation
First quarter	1 648	1 769	-7%
Second quarter	1 797	1 857	-3%
Third quarter	1 721	1 879	-8%
Fourth quarter	1 663	2 070	-19%
Full year	6 829	7 575	-10%

Unaudited

In total, 7,668 DSG embedded devices were sold in 2019, compared to 9,001 in 2018, a 15% decrease. We note however a stabilization of the quarterly revenue.

4,612 devices (60%) vs. 6,411 in 2018 (-14%) were sold in the United States, where the revenue was 6,446 KUS\$ vs. 7,557 KUS\$ in 2018, -15%.

Outside the United States, the revenue declined -8% at 1,072 K€ vs. 1,164 K€ in 2018. The full year consolidated revenue decreased -10% at current exchange rate (-14% in constant currency).

UNAUDITED FINANCIAL FORECAST

SpineGuard estimates its EBITDA to be positive in the second semester of 2019 (vs. -0.1 M€ in H2 2018) and to have significantly improved in the full year to reach -50K€ to be compared to -586K€ in 2018.

The American subsidiary SpineGuard Inc. would deliver a net positive result for the second full year in a row.

The cash position at December 31 2019 is 1.3 M€. The company did not use the total convertible bond equity line financing (OCAP) of which 0.7 M€ is available.

At the date of this press release, the company continues its discussions for the rescheduling of its venture debt with Norgine Ventures and Harbert European Capital Growth. At December 31 2019, the principal left due is 4M€ vs. 4,5M€ initially.

These preliminary results are unaudited and based on the first estimates by company's management at December 31, 2019. They are consequently subject to modifications. SpineGuard will communicate on its annual results on March 19, 2020 after market close.

2020 PERSPECTIVES

For 2020 SpineGuard is working on several opportunities in order to generate growth and solidify its strategic turn.

Its new generation of PediGuard products equipped with DSG Connect, which adds a tablet interface with signal visualization and recording, should obtain European regulatory clearance in Q1 2020 subsequent to CE mark filing in late September 2019. The US FDA clearance, ongoing as well, should follow later in 2020.

Commercial efforts should yield positive results in certain high-potential countries where the company was successful in the past: in Brazil, the re-registration of products consecutive to a distributor change will allow for a restart of the business. In the Middle East, a multi annual tender should convert into orders. Turkey could receive a reimbursement decision that would accelerate sales with the addition of the public sector.

The collaboration with our industry partner Adin Dental/ ConfiDent on the dental application will intensify in 2020 with the co-development of a next generation DSG embedded product, fruit of the feedback on the first generation tested in 2019.

Lastly, the search for strategic alliances with industry players notably for the robotic application continues with the venture bank Healthios Capital Markets, marks of interest have been received.

About SpineGuard®

Founded in 2009 in France and the USA by Pierre Jérôme and Stéphane Bette, SpineGuard is an innovative company deploying its proprietary radiation-free real time sensing technology DSG® (Dynamic Surgical Guidance) to secure and streamline the placement of implants in the skeleton. SpineGuard designs, develops and markets medical devices that have been used in over 75,000 surgical procedures worldwide. Fifteen 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 and several strategic partnerships, SpineGuard has expanded 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. DSG® was co-invented by Maurice Bourlion, Ph.D., Ciaran Bolger, M.D., Ph.D., and Alain Vanquaethem, Biomedical Engineer.

For further information, visit www.spineguard.com

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