

## SpineGuard Reports Six-Month 2023 Financial Results

**Paris (France) and Boulder (CO, USA), September 12, 2023** – 6:15 pm CEST – SpineGuard (FR0011464452 – ALSGD), an innovative company that deploys its DSG® (Dynamic Surgical Guidance) sensing technology to secure and streamline the placement of bone implants, announced today financial results for the half year ending June 30, 2023, as approved by the Board of Directors on September 12, 2023.

**Pierre JEROME, cofounder, Chairman & CEO of SpineGuard, said:** *“These half year results reflect our willingness to quickly get back to growth and reach breakeven with four great additions recently recruited to bolster our US commercial team, and sustained investment in R&D and marketing. The strong and steady increase of our sales in Europe and Latin America for more than ten quarters in a row, the traction in the field of our new products DSG Connect and PediGuard Threaded, as well as the great short-term potential of our innovation pipeline prompt us to pursue our investment strategy while carefully listening to our shareholders. With this in mind, we are currently exploring other financing possibilities, including a capital increase with retention of preferential subscription rights, instead of drawing on our equity line.”*

€ thousands – IFRS	H1 2023	H1 2022
<b>Revenue</b>	<b>2,234</b>	<b>2,546</b>
<b>Gross margin</b>	<b>1,768</b>	<b>2,161</b>
<i>Gross margin (% of revenue)</i>	79.1%	84.9%
<i>Sales, distribution, marketing</i>	- 2,072	- 1,827
<i>Administrative costs</i>	- 996	- 835
<i>Research &amp; Development</i>	- 580	- 463
<b>Recurring operating profit / (loss)</b>	<b>- 1,880</b>	<b>- 964</b>
Non-recurring operating costs	- 87	- 40
Operating profit / (loss)	<b>- 1,967</b>	<b>- 1,004</b>
Financial result	- 32	- 147
Income tax	- 9	- 26
<b>Net profit / (loss)</b>	<b>- 2,009</b>	<b>- 1,175</b>
<b>EBITDA</b>	<b>- 1,805</b>	<b>- 561</b>

NB: unaudited

### H1 2023 Key Financial Points

3,029 DSG units were sold in H1 2023 vs. 2,848 in H1 2022, representing an overall growth of +6%.

Sales for H1 2023 decreased to €2,234k vs. €2,546k for the same period in 2022, down 12% due to the temporary setback in the United-States and the interruption of royalty income related to the dental project. However, the product sales outside the United States are growing 37%.

Gross margin stood at 79.1% at June 30, 2023, compared with 84.9% at June 30, 2022. This change is mainly due to a lower contribution to sales from the United States, the market with the highest selling prices, and to a lesser extent to the higher cost of certain components supplied in 2022.

The Company's current operating expenses amounted to €3,734k for the first 6 months of 2023, compared with €3,131k for the first half of 2022, representing an increase of €604k, corresponding to:

- the recognition of impairment losses on trade receivables and related legal costs in connection with the unilateral decision by Adin Dental Implant Systems, parent company of ConfiDent ABC, for financial reasons of their own, to terminate their DSG dental application project,
- investments in sales and marketing expenditure in the United States where the team was strengthened by four new recruits in the first half of 2023, and
- the company's investment in Research and Development to pursue its technological innovations.

As a result, operating income before non-recurring items came to -€1,880k, compared with a loss of -€964k at June 30, 2022.

Working capital requirement at June 30, 2023 stood at €228k compared with €452k at December 31, 2022, mainly due to the decrease in trade receivables (-€290k) and trade payables (-€285k), despite the increase in inventories (+€151k) and other receivables (+€141k).

The company's cash and cash equivalents, classified as current financial assets at June 30, 2023, amounted to €4,588k, compared with €4,116k at December 31, 2022. Following the end of the 'sauvegarde' procedure in France and the agreement reached with creditors, repayment of bond principal amounted to €371k for the half-year, compared with €336k for the first half of 2022. Interest paid to Norgine Venture and Harbert European Growth amounted to €123k. In view of its cash position and expected recurring business volume, SpineGuard estimates that it will be able to cover its 2024 financing needs. Including the availability of the equity line with Nice & Green, this extends beyond 2025.

To continue to bolstering its equity, the company is currently considering other funding opportunities, including a capital increase with retention of preferential subscription rights, rather than to use the Horizon equity line put in place on May 31, 2023 with Nice & Green's for an amount of €7.5 million, remained undrawn at the date of this press release.

### Post-closing events

SpineGuard has announced a large order for 448 PediGuard Straight units from XinRong Medical Group (one of China's leading medtech companies). At the same time, SpineGuard appointed an independent regulatory agent, chosen in consultation with XinRong, to complete the registration of the other versions of PediGuard not yet registered in China: PediGuard Curved, XS, Canulated and Threaded, all incorporating DSG (Dynamic Surgical Guidance) technology for real-time, X-ray-free surgical guidance. To finance this product registration effort, XinRong invested in SpineGuard's capital, under the terms announced on May 16, 2023, by issuing 500,000 shares at a unit price of €1.00, representing a capital contribution of €500,000, with an 18-month lock-up period.

### SpineGuard's Priorities

SpineGuard is focusing on the following priorities while investing selectively and with rigor:

1. Boost commercial activities with PediGuard Threaded and the DSG-Connect platform
2. Develop the DSG drill bit for a launch beginning of 2024
3. Codevelop the Smart Screw and Sacro-Iliac fusion DSG device with Omnia Medical
4. Implement the three-prong agreement recently signed with XinRong Medical for China
5. Deploy the DSG technology in the surgical robotic and dental fields
6. Initiate new strategic partnerships

The company's half-year financial report is available in the Investors > Exchange filings section of the [www.spineguard.com](http://www.spineguard.com) website in French only.

**Next financial press release:** Third quarter 2023 revenue on October 11, 2023, after market closing.

#### **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 95,000 surgical procedures worldwide. Twenty-five studies published in peer-reviewed scientific journals have demonstrated the multiple benefits DSG® offers to patients, surgeons, surgical staff and hospitals. Building on these strong fundamentals and several strategic partnerships, SpineGuard has expanded the scope of its DSG® technology in innovative applications such as the « smart » pedicle screw, the DSG Connect visualization and registration interface, 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. SpineGuard has engaged in multiple ESG initiatives. For further information, visit [www.spineguard.com](http://www.spineguard.com)

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