

## SpineGuard secures a € 7.5M equity line with Nice & Green Cash runway extended to the end of 2026

**Paris (France) and Boulder (CO, USA), May 31, 2023** – 6 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 that they implemented an innovative equity line financing of a maximum of €7.5M with Nice & Green, an investment firm partnering with the Company since 2017.

In a volatile macroeconomic context, this innovative financing (the "Horizon Program") aims at securing the Company's long-term financing and to provide it additional resources to implement its strategy. It is made possible by the Company's strong performance in 2022 and the first quarter of 2023.

The company intends to use the Horizon Program in a targeted and selective manner to:

- accelerate the commercial, marketing and logistics reorganization of its subsidiary in the United States, to support the growth in both the world's and SpineGuard's largest market;
- Redeem the Company's venture debt to strengthen its balance sheet while also significantly reducing its financial expenses and;
- build a financing envelope that could be mobilized for future growth and innovation opportunities and thus creating shareholder's value.

The Horizon Program was authorized by the Board of Directors according to the delegation received from the 11th and 12th resolutions granted at the Extraordinary Shareholders Meeting held on June 30, 2022, to proceed with the gradual issuance, in tranches, of bonds convertible into shares (The "Horizon Bonds"), which will entitle the holder, upon exercise, to the issuance and/or allotment of new and/or existing shares, for a total nominal value of up to €7,500,000.

SpineGuard estimates that, given the existing cash position as of April 30, 2023, of € 5.3M, its business plan including the recently announced agreements with its partner in China, the debt reduction project and the total amount of this equity line that its cash runway stands at least until the end of 2026.

**Pierre Jérôme, Chairman, CEO and Co-founder of SpineGuard, says:** *"This financing provides us with the visibility and leeway necessary to amplify our commercial deployment, particularly in the United States, make the most of the tremendous clinical innovation potential of our DSG technology and lead us towards profitability."*

## **Additional information regarding the Horizon Program: innovative aspects**

SpineGuard and Nice & Green share the common objectives of implementing a financing tool that clearly aligns the interests of the Company, the investment company and all the shareholders. Therefore, the Horizon Program includes binding clauses regarding:

- a- the limitation of stock trades resulting from the exercise of the Horizon Program to 15% of the daily net amounts exchanged;
- b- the existence of a minimum trading price;
- c- the monthly communication on the company's website of a statement of the transaction carried out by Nice & Green S.A. in order to verify the respect of these binding clauses;
- d- the drawings being at the initiative of the Company subject to certain conditions relating to the stock market price.

The subscription of the Horizon Bonds is reserved to Nice & Green SA, a Swiss company, specializing in the structuring and the financing of small and medium-sized listed companies. The Horizon Bonds, with a nominal value of 10,000 euros, have a maturity of 36 months and will not give rise to interest payments.

Based on the share price as at 30 May 2023, i.e. €0.6440 and should the 750 Horizon Bonds be drawn and converted, the total dilution induced would be 23%.

The first tranche of €2,500,000 will be drawn in June 2023.

This financing does not require a prospectus subject to the approval of the French "Autorité des marchés financiers". The characteristics and dilutive impact of the transaction are detailed in the appendix to this press release. The Company draws the public's attention that the conversion or exercise of the securities issued under this program may take place at the request of the holder in accordance with the provisions of the contract for the issue and subscription of the Horizon Bonds. The shares resulting from such exercises and conversions will freely trade on the Euronext Growth market (Paris), in compliance with applicable legal and regulatory provisions.

The Company will post on its website a monthly table providing for the details of the conversions of the Horizon Program (section "Investors", "Documentation" and "Regulated Information" tab.

The detailed specifications of the Horizon Program are presented in the appendix to this press release.

## **Information regarding the debt restructuring improvement**

The Company submitted to the Commercial Court of Créteil a project to improve its safeguard plan ("plan de sauvegarde") validated in 2021. The proposed plan would improve creditors' repayment terms by two years, allows to repay all of its bondholder's debt, saves over €300K in interest (rate close to 10%) and provides improved leeway for non-dilutive financing. On the date of publication of this news release, the effective implementation of this debt restructuring operation remains subject to the approval of the Commercial Court of Créteil in France.

## **Information regarding the DSG Dental project**

Despite significant progress and a functional prototype under development, Adin Dental Implant Systems, parent company of ConfiDent ABC, has unilaterally decided to halt their DSG dental application project for financial reasons. SpineGuard has taken note of this decision, remains convinced of the potential of this very advanced and extremely promising project and is studying different options to continue it. The Company will communicate further details to its shareholders during the webinar on June 1.

## Information regarding the CFO transition

Effective, June 1st, Anne-Charlotte Millard replaces Manuel Lanfossi as Chief Financial Officer of SpineGuard. Anne-Charlotte knows the Company extensively as she held the position of Deputy Finance Director from 2009 until 2019. Since 2019, Anne-Charlotte was CFO at Biomodex a French private medtech company. After a transition period, Manuel will leave the Company in November to pursue new endeavors.

**Manuel Lanfossi, Chief Financial Officer of SpineGuard**, says: *“I am very pleased to have the opportunity to end my tenure at SpineGuard with the implementation of a financing that clearly aligns both the shareholders and the company’s interest while securing SpineGuard’s long term financial resources. Since 2017, the collaboration with Nice & Green has been exemplary.”*

**Anne-Charlotte Millard, new Chief Financial Officer of SpineGuard**, adds: *« This is a tremendous time to join SpineGuard, I look forward to leading our finance and administration organization while partnering with Pierre, Stéphane and the entire team as we look to grow the brand, drive innovation and maximize value for shareholders.»*

**Pierre Jérôme, Chairman, CEO and Co-founder of SpineGuard**, concludes: *“On behalf of SpineGuard’s Board of Directors, I would like to warmly thank Manuel for his excellent work over the past twelve years and his impeccable handover to Anne Charlotte whom I am delighted to welcome back to the team following a successful CFO experience at one of our industry peers.”*

### 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-four 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)

### About Nice & Green

Nice & Green is a leading privately held Swiss funding firm, active in the European market providing smart funding solutions to listed Micro-, Small- and Mid-Cap companies supporting their growth as partners. Find out more at [nicengreen.ch](http://nicengreen.ch).

### Disclaimer

The SpineGuard securities may not be offered or sold in the United States as they have not been and will not be registered under the Securities Act or any United States state securities laws, and SpineGuard does not intend to make a public offer of its securities in the United States. This is an announcement and not a prospectus, and the information contained herein does and shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein in the United States in which such offer, solicitation or sale would be unlawful prior to registration or exemption from registration.

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## APPENDIX HORIZON PROGRAM

### Legal Framework

The Extraordinary Shareholders Meeting held on June 30, 2022 has, in accordance with Articles L. 225-129 et seq., L. 225-138, L. 228-91 et seq., and L. 22-10-49 et seq. of the French Commercial Code and pursuant to its 11<sup>th</sup> and 12<sup>th</sup> resolutions, delegated to the Board of Directors its competence, for a period of eighteen (18) and twenty-six (26) months respectively, the authority to issue financial securities and/or transferable securities giving immediate or future access to a proportion of the capital, with cancellation of shareholders' preferential subscription rights ("*droit préférentiel de souscription*") to the benefit of categories of persons within a nominal maximum limit of capital increases set at 750,000 euros.

By virtue of this delegation, the Board of Directors authorized a equity line facility of €7,500,000 in the form of convertible bonds to be subscribed exclusively by Nice & Green, an independent Swiss company specialized in corporate financing.

### Key Features of the HORIZON Program

- the Horizon Bonds will be issued at the Company's request for a maximum amount of seven million five hundred thousand euros (€7,500,000) in 5 tranches of which the first tranche is two hundred and fifty (250) Horizon Bonds, and each of the following four tranches will consist in one hundred and twenty-five (125) Horizon Bonds;
- the Horizon Program has a duration of 36 months starting at the signing date of the program;
- The Company may only draw a new tranche when (i) since the subscription of the previous tranche, 15% of the total value of the cumulative transactions carried out on Euronext Growth represents at least 80% of the nominal amount of the previous tranche. By way of exception, the second Tranche may be drawn when i) the sale of Shares by the Investor add up to 80% of the amount of the first Tranche; or (ii) four (4) months after the conversion of the first Tranche;
- The Horizon Bonds will be issued only if and when certain contractual obligations are met, Nice & Green being entitled to waive them.
- One Horizon Bond has a value of ten thousand (10,000) euros,
- The Horizon Bonds will not accrue interest and will have a maximum maturity of eighteen (18) months from their issue date ("Maturity Date");
- The outstanding Horizon Bonds may be fully or partially redeemed in advance at any time at the Company's request and at its sole discretion at the price of 103% of their nominal value. The Agreement may also be terminated ahead of schedule and the outstanding Horizon Bonds redeemed under the same conditions by either the Company at its sole discretion and with no liability incurred, or by Nice & Green following an Event of Default as provided for in the Agreement (*list in Note 1*);
- The Horizon Bonds may be converted at Nice & Green's request through to the Maturity Date;
- The conversion of the Horizon Bonds is dependent on Nice & Green having sold 80% of the shares resulting from the previous conversion of the Horizon Bonds. In addition, Nice & Green will not be able to convert a number of Horizon Bonds representing a nominal amount higher than the total amount of the Company's shares sold by Nice & Green since the previous conversion;
- The number of shares to be issued by the Company to Nice & Green upon conversion of one or more Horizon Bonds is calculated as follows:

$$N = V_n / P$$

Where:

« **N** » is equal to the number of Company shares to be issued to Nice & Green per the conversion of a Horizon Bond ;

"**N**": is the nominal value of one Horizon Bond, i.e. ten thousand (10,000) euros each independently from their subscription value;

"**P**" is equal to the Conversion Price equal to one hundred percent (100%) of the Investor VWAP but shall not

be less than (i) 50% of the weighted average of the last twenty (20) trading sessions preceding the day setting the issue price and (ii) 99% of the VWAP calculated over the current Reference Period (the "Conversion Price").

In the event that, during a trading session, the 5 days VWAP including the current session would be equal to 50% of the weighted average prices of the last twenty (20) trading sessions preceding the day setting the issue price, the Investor has an "acceleration option" allowing him to freely convert a number of Horizon Bonds equal to the number of shares sold on the market since the last conversion or, in the case of the first Tranche, since its Subscription Date.

The Conversion Price is determined in accordance with Euronext Growth's tick size rules and rounded down to the nearest decimal place.

In no circumstances, the Conversion Price can be lower than the nominal value of the Issuer's Share (currently €0.05).

In the event that the Conversion Price is equal to or lower than the par value of the Issuer's Share, the Investor can only convert any of the Issuer's outstanding OCAs at a price equal to the nominal value until the Conversion Price becomes higher again than the par value of the Issuer's Share,

Should the issuance of New Shares results in fractions, the Issuer shall round down this fraction to the nearest whole-number.

The Horizon Bonds will constitute registered securities by name ("valeurs mobilières nominatives") in the stock registers of the Company and will not apply for admission to trading on any financial market and therefore will not be listed.

The newly issued shares upon conversion of the Horizon bonds will provide an immediate right to dividends. They bear the same rights as those attached to the Company's existing ordinary shares and will be admitted to the Euronext Growth market on the same listing line as the existing shares (ISIN code: FR0011464452). The Company will maintain on its website a tracking table of the number of outstanding Horizon Bonds and shares issued upon conversion of Horizon Bonds.

Nice & Green may not sell a number of shares representing more than 15% of the daily volume of transactions carried out on Euronext Growth and the Company may in any event set a minimum sale price.

Nice & Green will send the Company, on a monthly basis, a summary of the transaction demonstrating the compliance with the contractual agreements with regard to the traded volume and price of the shares and the Company will publish this summary on its website.

The Company has the right, at its sole discretion, at any time, upon payment of compensation of five thousand (5,000) euros and the redemption in cash of all outstanding HORIZON BONDS subscribed by Nice & Green and not converted at 103% of their nominal value (i.e. € 10,300 each), to terminate the Contract without liability incurred whatsoever.

## Fees and Commissions

The Company will pay Nice & Green one or two commissions depending on the conversions made:

- 1- a **structuring fee** of an amount equal to 7% of the maximum nominal amount of the financing, i.e. a total commission of 525,000 euros. This commission will be paid through the issuance of Horizon Bonds and;
- 2- in case of a conversion, a **potential execution fee** equal to 5% of the nominal value of the Horizon bonds actually converted by Nice & Green.

## Main risks associated to the Company

The key risks associated with the Company were presented in the 2022 Annual Financial Report.

The main risks associated with the issuance of Horizon bonds in connection with the transaction are as follows:

- a conversion of Horizon bonds resulting in the issuance of new shares would dilute the % held by an existing shareholder before such conversion;
- in the event of conversion of Horizon bonds by issuance of new shares, the volatility and liquidity of SpineGuard shares could fluctuate significantly;
- in the event of conversion of Horizon Bonds by issuance of new shares, the sale of SpineGuard shares by holders of Horizon Bonds could have an adverse impact on the price of SpineGuard shares;
- should the SpineGuard stock price drop to an amount equal to or lower than the par-value of the share (i.e. 0,05 EUR), the Company may have to engage in one or more reduction(s) of the said par-value in order to maintain the possibility to convert the outstanding Horizon Bonds;
- in the event of non-completion of all the tranches, (reminding that the total potential amount is not guaranteed), the Company's cash runway announced would be reduced in proportion.

## DILUTION THEORETICAL EFFECT FOR A NON-PARTICIPATING SHAREHOLDER

As an indication, the effect of the full issue of the Horizon Bonds on the equity per share would be as follows. The bases being i) the equity as reporting in the audited financial statements as at 31 December 2022 et ii) of the issued shares as of 30 April 2023 i.e. 39,080,723

Equity per share (in euros)	Base non diluted	Base diluted (*)	Number of shares	Equity as of 31.12.2022
Before the issue of the Horizon bonds resulting from this transaction	€0.13	€0.11	39,080,723	€5,141,210
After the issue of 750 Horizon bonds resulting from this transaction	€0.10	€0.09	50,726,685	

*The diluted base includes the exercise of all the equity instruments existing as of today and that might result in the issuance of an indicative maximum total number of new shares of 5,997,434.*

*(\*) The calculation is based on 99% of the stock price as of 30 May 2023 closing, hence a conversion price of the Horizon Bonds of 0,6440 €. This theoretical dilution does not prejudge either the final number of shares to be issued or their issue price, which will be set according to the stock market price, as described above.*

### Incidence of the issue on a 1% stake of a shareholder:

As an indication and in the event of the exercise of 100% of the Horizon Bonds, the impact on the equity of a shareholder holding 1% of the Company's share capital prior to the increase of capital (calculations made on the basis of the number of shares making up the Company's share capital on June 1, 2021) and not participating in the transaction would be as follows:

Equity per share (%)	Base non diluted	Base diluted (*)	Number of shares	Equity
Before the issue of new shares from the exercise of the Horizon Bonds	1.00%	0.87%	39,080,723	€1,954,036
After issuing 750 Horizon Bonds representing the exercise of 100% of the Horizon Bonds	0.77%	0.69%	50,726,685	€2,536,334

*The diluted base includes the exercise of all the equity instruments existing as of today and that might result in the issuance of an indicative maximum total number of new shares of 5,997,434.*

*(\*) The calculation is based on 99% of the stock price as of 30 May 2023 closing, hence a conversion price of the Horizon Bonds of 0,6440 €. This theoretical dilution does not prejudge either the final number of shares to be issued or their issue price, which will be set according to the stock market price, as described above.*

## Note 1: Event of Default

"Event of Default" refers to the occurrence of any of the following events that were not resolved within thirty (30) Working Days of the earlier of the following dates: (i) The date when Nice & Green SA receives the Event of Default Notification issued by the Company and (i) the date when the Company receives the Notification from Nice & Green indicating the infringement and asking for resolution:

- (i) The Company does not pay an amount due to Nice & Green SA under the Agreement upon its due date.
- (ii) Any breach of any its commitments by the Company; not waived in writing by Nice & Green and resulting in actual damages in excess of one hundred thousand (100,000) euros or higher, as duly established by an independent third party ("expert judiciaire" listed at the Court of Appeals (Cour d'Appel) and appointed, by the President of the competent Court issuing an interim order and called on by Nice & Green SA within a maximum of eight (8) Working Days following the end of the period of thirty (30) Working Days granted to the Company to resolve an Event of Default or, when such a timeframe is not applicable, from the first of the Notification dates referred to in the definition of the "Event of Default".
- (iii) Within the agreed timeframe to cure, the absence of a meeting, vote or approval by an extraordinary shareholders meeting of a stock split or a capital reduction with a view to reducing the Share's par value will be considered as an "Event of Default" even if it has been convened by the Company;
- (iv) The delisting of the shares from Euronext Growth at the Company's request unless this delisting is carried out in connection with a transfer of the listing of the Company's shares to another market managed by Euronext Paris;
- (v) Any refusal to certify the financial statements by the Company's statutory auditors that is not resolved within thirty (30) Working Days of the date by which the Company's accounts shall be certified in compliance with the applicable regulations;
- (vi) In the event that the shareholders meeting does not resolve the reduction of the par-value of the shares as agreed in the Contract.
- (vii) A material unfavorable event or a change of control has occurred;
- (viii) The Issuer voluntarily suspends or interrupts its activities, sells or transfers its main assets needed for its activity unless these assets are sold (i) subject to fair compensation or (ii) under market conditions;
- (ix) In the event that the Company does not satisfy the "Obligation d'Ajustement" required by the Agreement;
- (x) In the event that the Company files for a bankruptcy procedure;
- (xi) A final court decision requiring the payment of a total amount exceeding two million (2,000,000) euros is issued by a competent court against the Company, and the Company i) does not pay said sum or ii) does not ensure its payment in accordance with its terms or iii) does not file a request to suspend the decision within thirty (30) calendar days (or any longer period during which the suspension of the enforcement could validly be introduced by the Company) following the date of notification to the Company or does not appeal or ensure that the enforcement of the Court Decision is suspended during the appeal.