

SpineGuard®

Letter to Shareholders – May 2021



Pierre Jérôme,
Co-founder,
Chairman & CEO



Stéphane Bette,
Co-founder,
Deputy CEO

Dear Shareholders,

As the Company's Shareholder Meeting approaches, we wanted to summarize the latest advances and main perspectives of SpineGuard. We founded the Company, with an ambition still intact today, **to secure and streamline the placement of implants in the skeleton while exploiting the full potential of the DSG® (Dynamic Surgical Guidance) technology, unique in its ability to differentiate bony tissues in real-time and without using X-Rays.**

The rescheduling of our debt, validated by the French Court of Commerce at the end of March, and the new flexible financing of 10 million euros announced in early April, now allow us **to accelerate the deployment of our DSG technology and strengthen our US commercial organization** to leverage the gradual resumption of elective surgeries and the launch of the new DSG Connect platform.



Modified electronic board with
wireless transmission



DSG connect

Software for tablet



DSG Connect, which was cleared by the US FDA in February, provides the transmission, visualization, and recording of data sent by the DSG sensor to a wireless tablet interface with its dedicated software application. This module should facilitate the adoption of DSG by new surgeons and enables data mining for medico-legal evidence and research in bone quality assessment and robotics.

SpineGuard's robotic program, in collaboration with the Sorbonne University of Paris, reached new milestones in the past several months with the start of DSG measurement data collection during surgeries at Hospital Trousseau in Paris, as well as multiple new in-vitro experiments using a medical grade robotic platform and 3rd generation algorithms for breach detection.



Robot featuring
DSG sensing



Smart universal
power drill

Those very promising outcomes have already triggered the design of a smart universal power drill for orthopedic surgery. As announced in early February, **SpineGuard became the key industrial partner of the consortium FAROS** (Functional Accurate RObotic Surgery) composed of four prestigious European research teams in the field of surgical robotics.



In parallel, we continue **to strengthen our intellectual property with the validation in April of French and European patents describing the utilization of the DSG technology as a means to measure bone quality.** These two patents follow five patents disclosing this application already granted in the USA, China, Japan, Singapore and Mexico. In the context of the worldwide aging population affected by degraded bone quality, resulting in numerous clinical issues, the precise knowledge of bone quality is data of significant importance. Through the help of the recently cleared DSG Connect platform, surgeons can now access this information during surgeries. The potential applications of this innovation are multiple across all orthopedics, such as the prevention of fractures or the securing of surgical outcomes by adapted medications.

In January, the grant in Japan of our "Real Time" patent that reinforces in duration the protection of the DSG technology was obtained in addition to the patents already obtained in China, Russia and Singapore.

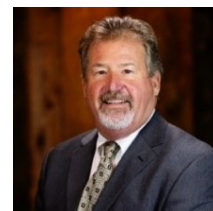


DSG embedded dental osteotome

Our partnership with ConfiDent ABC subsidiary of Adin Group, for **the development of dental drills embedding the DSG sensor, is progressing with excellent dynamics.** Ongoing discussions with several companies about other applications of our DSG technology may also result in new partnerships.

The 21% growth OUS in Q1, the third consecutive quarter of double-digit growth, is very encouraging within the pandemic context.

The recent appointment of Patrick Pilcher, as Vice-President of Sales & Marketing for the USA, is an important step to get back to growth in our number one market. The launch of the new DSG Connect platform, the rebound in surgeries volume and the rapid emergence of ambulatory surgical centers are all planned opportunities to be capitalized upon.



Lastly, we wish to underscore the remarkable fortitude of the entire SpineGuard team since the outbreak of the Covid-19 pandemic and to thank you, our fellow shareholders, for your continued trust. Our Annual General Meeting will be held on June 9, in a closed virtual session by way of a live web broadcast for obvious safety reasons and in compliance with recent French legislation. **We count on you to vote, such right being a fundamental prerogative of each shareholder, via internet or by proxy.** It is important for SpineGuard to reach the necessary quorum so that the General Assembly can effectively deliberate.

Pierre Jérôme, Co-founder, Chairman & CEO & Stéphane Bette, Co-founder, Deputy CEO