

SpineGuard initiates safeguard proceedings while adapting its governance to strengthen the development of innovation

PARIS and BOULDER (CO), February 14, 2020 – 8:00 CET - 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 the initiation of “safeguard” proceedings in France (article L 620-1 of the French “code de commerce”) and the concomitant commencement of a voluntary Chapter 11 case for its US subsidiary.

Pierre Jérôme, co-founder, Chairman and CEO of SpineGuard, said: *“The initiation of safeguard proceedings will provide us with favorable economic and legal conditions to implement our innovation strategy. As recently reported, SpineGuard found its operational balance but faces a debt reimbursement challenge requiring financial restructuring. This protective process should allow us to smoothly renegotiate the terms of the reimbursement of our debt. With a revised payment schedule, we will have a more solid ground for successfully deploying our DSG technology and setting-up fruitful strategic partnerships to create shareholder value.”*

Adaptation of company’s governance

The Board of Directors has appointed Pierre Jérôme, its Chairman and co-founder, as CEO of SpineGuard SA. Stéphane Bette, the other co-founder, becomes deputy CEO.

This governance change reflects the Board of Directors’ willingness to concentrate SpineGuard’s efforts on the deployment of innovation and the set-up of strategic partnerships with industry players while continuing to improve the financial situation of the company.

Stéphane Bette, Deputy CEO of SpineGuard, concluded: *“Pierre’s return to the senior management team is a unanimous decision from the Board. I am delighted to share the lead of the company’s operations with him and I look forward to fully dedicate my energy to the development of innovation and creation of value for SpineGuard, while remaining attentive to maintaining operational balance.”*

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 the USA and 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.

Complementary information on “safeguard” proceedings

The “safeguard” proceedings only concern companies which are not in suspension of payments.

With the initiation of “safeguard” proceedings in France and the concomitant commencement of the Chapter 11 case for the U.S. subsidiary, debt amortization is temporarily suspended. We are very hopeful that this process will allow SpineGuard to renegotiate on a consensual basis a revised payment schedule in order to insure the sustainability of its business and employments while ensuring the payment of its creditors.

The trading halt of SpineGuard’s stock on Euronext Growth remains until further notice.

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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Contacts

SpineGuard

Pierre Jérôme
Président Directeur Général
Tél. : 01 45 18 45 19
p.jerome@spineguard.com

Manuel Lanfossi
Directeur Financier
m.lanfossi@spineguard.com

Europe / NewCap

Investor Relations & Financial Communication
Mathilde Bohin / Pierre Laurent
Tél. : 01 44 71 94 94
spineguard@newcap.eu

