

SpineGuard reports 2020 revenue

Growth outside the US at 17% in Q4

PARIS and BOULDER (CO), January 27, 2021 – 18:00 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, reported today its full-year 2020 revenue.

Pierre Jérôme, Chairman, CEO and co-founder of SpineGuard, said: *"The resurgence of the pandemic in the fourth quarter, particularly in the United States, once again led to postponements of non-urgent surgeries. This affected SpineGuard's revenue, along with many other medtech companies whose sales depend on surgery volume. In this context, our double-digit growth outside the United States is very encouraging knowing that the vaccination campaigns are now ramping up and that we are counting on the forthcoming US-FDA approval of the DSG Connect interface. Our financial discipline and tight control of our spending enabled us to remain close to operating EBIT breakeven, despite the health crisis, and to reach an agreement with our bondholders on the rescheduling of our debt. We therefore solicited a hearing to the judicial authorities with the aim to garner a decision about the submitted 'safeguard plan' and exit the proceedings. This expected positive outcome and the recent advances of our robotic program let us envisage exciting prospects in 2021."*

€ thousands – IFRS	2020	2019	Variation
First quarter	1 376	1 648	-17%
Second quarter	902	1 797	-50%
Third quarter	1 328	1 721	-23%
Fourth quarter	1 245	1 663	- 25%
Full year	4 851	6 829	-29%

Unaudited

Revenue grew 17% outside the US in the fourth quarter with a notable performance in Europe (France and Germany in particular).

In total, 5,216 DSG embedded devices were sold in 2020, compared to 7,668 in 2019, a 32% decrease primarily due to the COVID-19 pandemic.

3,167 devices vs. 4,612 in 2019 were sold in the United States, where the revenue was 4,438 MUS\$ vs. 6,446 MUS\$ in 2019, -33%.

Outside the United States, the revenue declined -10% at 969 K€ vs. 1,072 M€ in 2019.

The full year consolidated revenue decreased -29% at current exchange rate (-28% in constant currency).

The COVID-19 pandemic strongly impacted the revenue since March. 2020 monthly revenue % compared to 2019 are as follows:

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec
% 2020/2019	100	94	64	14	54	76	81	66	84	73	71	81

The second wave of the pandemic notably affected US revenues in October and November.

CHAPTER 11 AND FRENCH “SAFEGUARD” PROCEEDINGS

The French trustees submitted a safeguard plan (‘plan de sauvegarde’) to the creditors of the French company on 25 January 2021. This plan includes a negotiated agreement with the bondholders as part of the Chapter 11 proceeding.

The deadline for the creditors of the French company is 24 February 2021. The next step will be a hearing early March in front of the French commercial court at which the company expects to exit from the French proceeding.

As the US court also agreed on the two procedures to be aligned in timing, the company expects to exit Chapter 11 soon after the French one.

2021 PERSPECTIVES

For 2021 SpineGuard will focus on the following priorities:

1. Re-boost commercial activities with the launch of the DSG-Connect visual interface.
2. Pursue the implementation of the DSG digital technology in the surgical robotic field through the deployment of AI algorithms, new scientific evidence, and additional patents.
3. Intensify the collaboration with ConfiDent ABC for the dental application and co-develop a new generation of products embedding the DSG technology.
4. Affirm the company’s technological shift and sign industrial and strategic partnerships in particular for the use of DSG technology in the robotic field.

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 80,000 surgical procedures worldwide. Sixteen 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

Stéphane Bette
Directeur Général
Tél. : 01 45 18 45 19
s.bette@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

