

SpineGuard announces a free grant of redeemable equity warrants to its shareholders

PARIS and BOULDER (CO), June 2, 2021 – 08:00 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 the issuance and free granting to all its shareholders of redeemable equity warrants (BSAR). The grant will consist of the allocation of 1 BSAR per share. Starting June 10, 2021, 9 BSAR will allow to subscribe for 1 new share at an exercise price of €1.80, representing a premium of 23.29% over the closing stock price of June 1, 2021.

Pierre Jérôme, Chairman, CEO and co-founder of SpineGuard, said: *“This free allocation of BSARs aims to allow all SpineGuard's shareholders to further participate in the financing and growth potential of the Company through this complementary equity instrument. On the innovation front SpineGuard achieved many milestones in recent months with the extension of our intellectual property for bone quality measurement, the initiation of a smart universal drill project for orthopedic surgery, and the advancement of our robotic program fueling discussions with potential strategic partners. We also obtained clearance from the US FDA for the DSG Connect platform and strengthened our commercial structure in the United States. Lastly, the rescheduling of our debt, the exit from the safeguard procedure and the new € 10 million equity line gives us leeway to accelerate the deployment of our DSG technology before the end of the BSAR exercise period.”*

Per the delegation of authority conferred by the Annual Ordinary and Extraordinary General Meeting held on May 14, 2020 (9th resolution), the Board of Directors, at its May 27, 2021 meeting, resolved on the principle of a free allocation of redeemable equity warrants to the shareholders of the Company and subdelegated to the Chief Executive Officer the authority for its execution. On June 1, 2021, the CEO resolved on the issue and the free allocation to all shareholders of 26,550,493 BSARs under the terms detailed below:

- The grant will benefit all of the Company's shareholders, i.e., the holders of the 26,550,493 shares of the equity.
- To date, the Company is not aware of the intentions of its main shareholders with regard to the exercise of the BSARs.

SpineGuard's cash position was € 2.3 million as of March 31, 2021. When adding the € 10.0 million equity financing line recently provided by Nice & Green, current utilization of €2.0 million, SpineGuard has a cash runway of over 36 months.

DESCRIPTION OF THE OPERATION

On June 11, 2021, each shareholder will receive one (1) BSAR free of charge for each share held. Based on the Company's capital, a maximum of 26,550,493 BSARs will be issued. Nine (9) BSAR will allow the subscription of one (1) new SpineGuard share at the exercise price per share of € 1.80. In the event of the exercising of all the BSARs, a maximum of 2,950,054 new shares corresponding to a total gross equity funding of € 5,310,597.20.

The exercise price of € 1.80 represents a premium of 23.29% over the closing date of June 1, 2021 and of 25.52% compared to the closing price less the theoretical value of the BSAR on the same date (i.e. 1.434 € based on a theoretical value of a BSAR of 0.026 €). The 26,550,493 BSARs will be listed on the Euronext Growth Paris market under a specific line and ticker “BSAR” (ISIN: FR 0014003UB4).

The term of the BSARs is set at twenty-four (24) months from their allocation, and will end on June 12, 2023 included.

Depending on the evolution of the share price and starting on December 10, 2021, the Company may request the redemption of the BSARs granted and still in circulation, at a unit price of € 0.01 if the following conditions are met: the VWAP¹ closing price of the SpineGuard share calculated over ten consecutive trading days within a period of twenty days preceding the publication of the early redemption notice shall exceed by 50% the exercise price of € 1.80, i.e. € 2.70. In such event, it is to be noted that BSAR holders can avoid the €0.01 payment per BSAR by exercising their BSARs on the basis of the exercise price set at € 1.80 per new share before the deadline set for the redemption and make a profit from the exercise of the BSARs.

The minimum floor to exercise BSARs has been set at 3,600 BSARs, representing a minimum subscription of 400 new SpineGuard shares.

PROCEEDS OF THE OPERATION

Should 100% of the BSAR be exercised the total gross proceeds would result in € 5,310,597.20.

OBJECTIVES OF THE OPERATION

The BSAR grant is free of charge and is made in proportion to the number of shares of each and all the shareholders.

The grant aims at:

- Acknowledging and retaining the existing shareholders of the Company;
- Attracting new investors interested in the optional nature of the BSAR;
- Enabling an equity funding spread over the 2-year term of the BSAR.

The use of the proceeds is intended for financing the Company's commercial development in the United States and for deploying innovation through our R&D projects, in particular for the use of DSG® technology in robotic bone surgery.

PRELIMINARY CALENDAR

27 May 2021	Board of Directors decision allowing the free grant of BSAR to all shareholders using the 9 th resolution of the shareholders meeting held on May 14, 2020. Sub-delegation to the CEO to set and execute the terms and conditions of the free grant of BSAR.
1 June 2021	CEO decision (« <i>Décision du Directeur Général</i> ») setting the terms and conditions of the free grant of BSAR.
2 June 2021	Publication of the official notice of the operation at the French « BALO » and corresponding news release to the market.
2 June 2021	Release by Euronext of the notice of the free grant and issue of the BSAR
9 June 2021	1 st day for the listing of the BSAR on Euronext Growth Paris
10 June 2021	« Record date allocation »: accounting record for the BSAR allocation
11 June 2021	Issue and allocation of the BSAR
11 June 2021	Opening of the exercise period of the BSAR
12 June 2023	Closing of the exercise period of the BSAR

¹ Volume Weighted Average Price

DILUTION THEORETICAL EFFECT FOR A NON-PARTICIPATING SHAREHOLDER

As an indication and in the event of the exercise of 100% of the BSAR, 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:

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

Equity per share (%)	Base non diluted	Base diluted (*)
Before the issue of new shares from the exercise of the BSAR	1.00%	0.90%
After issuing 3,792,927 new shares representing the exercise of 100% of the BSAR	0.90%	0.82%

* Diluted base of a maximum of 2.803.861 new shares that may be issued by the exercise or vesting of equity instruments issued by the Company.

Effect of the issue on the equity per share: base is the net equity per the financial statements as of 31 December 2020 adjusted for new equity since i.e., € 4,004m shares:

Equity per share (in euros)	Base non diluted	Base diluted (*)
Before the issue of new shares from the exercise of the BSAR	€0.15	€0.35
After issuing 3,792,927 new shares representing the exercise of 100% of the BSAR	€0.32	€0.50

* Diluted base of a maximum of 2.803.861 new shares that may be issued by the exercise or vesting of equity instruments issued by the Company.

As a reminder, the interests of the beneficiaries of financial instruments giving access to equity and in circulation will be preserved, protected, or adjusted under the conditions provided for in Article L.228-99 of the French Commercial Code and in accordance with all other applicable legislative or regulatory provisions in France.

SpineGuard is advised by Swiss Life Banque Privée for this operation.

WARNING

Pursuant to the provisions of article L.411-2 of the French Monetary and Financial Code and article 211-2 of the General Regulations of the French Autorité des Marchés Financiers ("AMF"), this grant is not subject to a prospectus approved by the AMF being lower to € 8,000,000 (calculated over a period of 12 months). A notice to the shareholders regarding this transaction was published on June 2 2021 in the French "Bulletin des Annonces Légales et Obligatoires" (BALO).

RISK FACTORS

Investors' attention is drawn to the risk factors referred to in the financial report as of December 31, 2020, available on the SpineGuard website.

Holders of BSAR or investors deciding to acquire BSAR on the market during their listing period shall refer to the specific risk factors attached to such securities, and in particular:

1. Lack of market for the BSAR

There is no guarantee that from the listing of the BSAR, a market will develop or that their holders will be able to sell them on the secondary market. There is no obligation to constitute a market for the BSAR. If a market develops for BSAR, they could be subject to greater volatility than SpineGuard shares.

2. Risk related to the redeemable structure of the BSAR

The Company may, at its sole discretion, and if the conditions for such an early redemption are met starting December 11, 2021, proceed with the early redemption of all or part of the outstanding BSAR at a unit price of € 0.01. In such event, it is reminded that BSAR holders can avoid the €0.01 payment per BSAR by exercising their BSARs on the basis of the exercise price set at € 1.80 per new share before the deadline set for the redemption and make a profit from the exercise of the BSAR.

3. The market price of the Company's shares may never reach the exercise price of the BSAR

No assurance can be given as to the fact that the market price of the Company's shares will exceed the exercise price of the BSAR and the subscription price of the new shares issued upon exercise of the BSAR. Thus, no assurance can be given that, after the exercise of the BSAR, investors will be able to sell their shares at a price equal to or greater than the subscription price of the shares issued by exercise of the BSARs.

4. Risk of loss of the BSAR investment

BSAR holders who have purchased their BSAR on the market after the free allocation and who do not sell or exercise them before June 12, 2023 at midnight would lose their entire investment.

5. Risk of dilution

If shareholders do not exercise their BSAR, their percentage of ownership and of voting rights will be reduced in the event other holders exercise their BSAR (see table above). Even if shareholders would choose to sell their BSAR, the received remuneration may not compensate for this dilution.

Next news release

7 July 2021 after market close: First-half 2021 revenue.

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. Seventeen 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

Disclaimer

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