



Further improvement on 2021 results

- **27%¹ increase in revenue**
- **36% growth in gross margin**
- **26% improvement in operating performance**
- **Strategic ambition strengthened by investment capacity**

<i>In thousands of euros Consolidated accounts</i>	2021	2020	% Variation
<i>Consolidated accounts</i>	4 290	3 379	+ 27%
Cost of goods sold	- 1 398	- 1 260	- 11%
Gross Margin	2 892	2 119	36%
Turnover %	67,4%	62,7%	
Operating costs	- 4 301	- 4 029	-7%
<i>Including operational costs</i>	- 1 941	- 2 269	14%
<i>Including personnel expenses</i>	- 2 479	- 2 278	-9%
Operating income	- 1 409	- 1 910	26%
Financial income	223	- 12 279	
<i>Including Negma financial one-offs²</i>	0	- 11 978	
Non-recurring items	- 397	84	
Net income	- 1 583	- 14 105	
Including adjusted net income²	- 1 583	- 2 127	26%

Spineway's Board of Directors met on 31 January 2022 under the chairmanship of Stéphane Le Roux, and approved the annual accounts (corporate and consolidated) as of 31 December, 2021.

Spineway confirms sound orientation of its 2021 fiscal year with a turnover of €4.3 million¹ up 27% compared to 2020, despite the still penalizing pandemic context. This growth is driven by a fourth quarter at €1.3 million (+26%) and is accompanied by an improvement in all the Group's results.

Continued improvement in overall results

During the year, Spineway's performance improved significantly, benefiting from revenue growth and a sales mix oriented towards higher value-added products. **Gross margin reached €2.1 million in 2021, up 36% compared to 2020**, while the gross margin rate increased by 7.5%, or 4.7 margin points, from 62% in 2020 to 67% in 2021.

Sound management of operating expenses during the year, combined with the increase in sales, **enabled the operating result to improve by 26% compared to 2020 and by 39% compared to 2019 to reach**

¹ Breakdown as per press release of 18 January 2022

² The recording of a one-time financial expense representing compensation for the Negma financing agreement (see January 25, 2021 press release)

€1.4 million. It should be noted that a high level of regulatory expenditure, particularly in studies and clinical tests, is necessary to prepare for the transition to the new CE/MDR regulations, which will take place in May 2024 at the latest. In this respect, the company has already obtained a first MDR certificate for its instruments.

Financial revenue amounted to €0.2 million compared with a loss of €12.3 million in 2020. The 2020 result was penalized by the posting of an exceptional financial charge related to the compensation mechanism of the Negma² financing contract. **Adjusted for the exceptional financial charge, it would have been €0.3 million.** Thus, the financial revenue for 2021 improved by €0.5 million.

The exceptional revenue (-€0.4 million in 2021) is essentially linked to the impact of a depreciation of R&D costs. The Group continues to invest in innovation, in line with its product strategy. Therefore, the management team has been strengthened by the arrival of an R&D manager in the fall of 2021. This dynamic is in line with a strategy of developing high-margin growth markets.

The net result is also in line with this positive trajectory at €1.6 million compared to a loss of €14.1 million last year (€2.1 million adjusted for the above-mentioned exceptional financial charge). **The latter thus improves by 45% compared to 2019 and by 26% compared to the 2020 net result adjusted for the exceptional charge.**

Reinforced assets

The year was accompanied by a significant strengthening of the company's assets with a total of €25.6 million compared to €14.7 million at the end of December 2020. This securing of assets is mainly linked to the financing contract with Negma, which strengthens the company's financial position.

The valuation of assets (equity investments) was also strengthened by the Geneva arbitration tribunal, which issued an award on January 20, 2022 in favor of Spineway in the dispute with Integral Medical Solutions (IMS). IMS was ordered to pay Spineway the full purchase price of the shares, plus interest for late payment and reimbursement of arbitration costs. IMS has a period of 30 days to appeal this decision, it being specified that this appeal, except in special cases, would not have suspensive effect. In addition, this award remains subject to collection procedures in the countries where the IMS group is established.

Strengthened financial position with €13.9 million in cash

In order to finance its development projects and operational needs, the Group saw a capital increase of €1.6 million over the year associated with a premium over par of €11.6 million linked to its Negma financing agreement. **This operation strengthened Spineway's equity (€20.9 million) and brought the company's cash position to €13.9 million at December 31, 2021. Similarly, cash net of financial debts improved to €11.5 million compared to €2 million last year.**

The purpose of this contract is to finance the Group's strategy until Spineway's results allow it to self-finance its growth. To date, there remains €15.5 million in additional financing under the Negma agreement, which has provided €18.6 million in cash since its conclusion. This strategy of securing cash has enabled the company to complete its first external growth project with the acquisition of Distimp in June 2021.

This fiscal year marks a further improvement in Spineway's performance despite a complicated economic environment and demonstrates the Group's ability to carry out its strategic plan with the ambition of becoming a leading European player in spine surgery with Premium positioning.

Thank to good results and unchanged investment capacity, Spineway will continue its mixed growth combining organic development and targeted acquisitions.

Upcoming: General Shareholders Meeting – 23 March 2022

The annual accounts are available on the company's website in the Investors

SPINWAY IS ELIGIBLE FOR THE PEA-PME (EQUITY SAVINGS PLANS FOR SMES)

Find out all about Spineway at www.spineway.com

This press release has been prepared in both English and French. In case of discrepancies, the French version shall prevail.

Spineway designs, manufactures and markets innovative implants and surgical instruments for treating severe disorders of the spinal column.

Spineway has an international network of over 50 independent distributors and 90% of its revenue comes from exports.

Spineway, which is eligible for investment through FCPIs (French unit trusts specializing in innovation), has received the OSEO Excellence award since 2011 and has won the Deloitte Fast 50 award (2011). Rhône Alpes INPI Patent Innovation award (2013) – INPI Talent award (2015).

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