

Half-year results 2024

- Half-year turnover of €6.5 million (+20%)
- Improvement in operating income
- Full effect of savings measures visible in the 2nd half of 2024

<i>In thousands of Euros</i> <i>Consolidated accounts</i>	S1 2024	S1 2023
Turnover	6 535	5 432
Cost of sales	- 2 059	- 1 509
Gross margin <i>% of turnover</i>	4 476 68%	3 923 72%
Net operating costs	- 5 246	- 5 556
<i>Of which operating costs</i>	- 2 232	- 2 355
<i>Of which personnel expenses</i>	- 2 685	- 2 978
Operating result	- 770	- 1 256
Financial result	- 2 096	- 64
<i>Of which exceptional financial charge Negma¹</i>	- 1 467	/
Exceptional result	- 515	- 573
Net result	- 3 381	- 1 893
Of which restated net result²	- 1 914	- 1 893

The Board of Directors of Spineway, meeting on September 23rd, 2024, under the Chairmanship of Stéphane Le Roux, approved the half-yearly accounts as of June 30th, 2024.

Spineway, a specialist in innovative implants for the treatment of severe spinal pathologies, continues its organic growth (without scope effect) and achieves a turnover of €6.5 million for the first half of 2024, up 20% compared to S1 2023.

The gross margin remains at a normative level of 69%, stable compared to the end of 2023 and in line with the Group's forecasts.

Over the period, Spineway continued its regulatory investments in order to obtain new export approvals and CE/MDR certifications. The company has initiated a cost optimization plan including a rationalization of its workforce and operating expenses, which has led to a reduction in net operating costs in the first half of the year, the full effect of which will be visible in the second half of the financial year.

1 - See the explanations of this charge on page 2 on the net result

2 - Net result adjusted for the exceptional Negma charge of €1,467,000

As of June 30th, 2024, these efforts combined with the growth in turnover have enabled the operating result to increase significantly over the period by nearly €500,000 to -€770,000 compared to -€1,256,000 last year (+39%).

The financial result amounts to -€2,096K and includes the recognition of an exceptional financial charge of €1.4M linked to the compensation mechanism of the Negma financing contract. As explained³, the contract provides a compensation in the event of a stock market price lower than the nominal value of the share. The unfavorable change in Spineway's price at the beginning of 2024 financial year led to compensation when tranches were lifted. In order to protect itself from this mechanism, Spineway reduced the nominal value of its share in February⁴. This financial charge did not result in any cash outflow for the Group and was entirely financed in Spineway shares.

Taking into account an exceptional result of -€515K, mainly including exceptional personnel costs linked to the reduction in staff, the net result stands at -€3,381K. Restated for the exceptional Negma charge, the Group's net income remains stable at -€1.9 million.

Cash of €1.6 million at the end of June 2024

As of June 30th, 2024, 1,688 convertible bonds (OCA), linked to the OCA⁵ issue and subscription contract, were converted into 1,525,525,254 shares. Thus, Spineway's share capital at the end of June 2024 after the share consolidation, amounts to €155,856.65 and is composed of 3,463,477 shares of €0.045 each.

At the end of June 2024, Spineway's cash position stood at €1.6 million and net debt remained low at €0.3 million for €20.7 million in equity, bringing gearing (net debt/equity) to 1.3%.

Continued developments

In line with its strategy, Spineway is stepping up its commercial developments and continuing its regulatory procedures dedicated to the approval of Spine Innovations and Distimp products for major exports. To this end, the Group is increasing the number of conferences and training sessions for surgeons on its ESP prostheses, particularly in Latin America and Asia⁶

Focused on the launch of a premium range of implants and instruments to more broadly address the segment of degenerative spinal pathologies, Spineway is also working on internalizing the production of its ESP prostheses in order to gain responsiveness and optimize its production costs. To this end, the company has set up a partnership with a subcontractor to develop a dedicated production line that should be operational by the end of the year.

The good direction of the Group's activities combined with a continuous improvement in its operating costs should enable the Group to regain operational⁷ balance in the medium term with the aim of eventually returning to profitability.

Next meeting :

October 15th, 2024 – Revenue for the 3rd quarter 2024

SPINEWAY IS ELIGIBLE FOR PEA-PME

Find out all about Spineway at www.spineway.com

3 - Press release of October 27, 2020

4 – Press release of February 29, 2024

5 – Press release of May 25, 2023

6 – Press releases of June 26, July 24 and September 12, 2024

7 – In terms of operating result

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 70% of its revenue comes from exports.

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