SpineGuard posts H1 2018 revenue

- Sales growth continuum in the USA: +7% sold units in Q2, +2% in constant currency
- US subsidiary to report net operating profit in H1
- Improvement of net consolidated operating result by +50% at -0.8M€
- 160 « smart screw » surgeries performed in the US since launch
- More than 1,100 units sold in China since November 2017, 600 in H1 2018
- Operating profitability guidance by end of 2018 confirmed

PARIS and SAN FRANCISCO, July 11, 2018 – 18:30 CEST – SpineGuard (FR0011464452 – ALSGD), an innovative company that develops and markets instruments designed to secure the placement of surgical implants by bringing real-time digital technology into the operating room, announced today that its first half 2018 revenue was 3.6ME, a decrease of -5% at constant currency, and that its preliminary non audited operating result improved by close to +50% as compared to the first half of 2017.

H1 and Q2 2018 revenues

<table>
<thead>
<tr>
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<th>2018</th>
<th>2017</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>1,769</td>
<td>2,169</td>
<td>-18%</td>
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<tr>
<td>Second Quarter</td>
<td>1,857</td>
<td>2,030</td>
<td>-8%</td>
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<tr>
<td>Half-Year</td>
<td>3,626</td>
<td>4,199</td>
<td>-14%</td>
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Unaudited

In the United States, the consolidated revenue of the second quarter 2018 increased by +2% at constant currency to 1,807K$ from 1,779K$ with a +7% increase in units sold.

Outside the United States, the strong performance in China did not offset the interruption of commercialization due to macro-economic or political reasons in certain geographies, e.g. Turkey.

In the first half of the year, the United States accounted for 83% of the company’s revenue, which continued to be significantly impacted by the unfavorable euro/dollar exchange rate. In constant currency, the consolidated revenue decreased by -5%.

4,352 DSG units were sold in the first half of 2018 (an increase from 4,264 units in 2017) of which 2,599 units (60%) were sold in the United States.
Preliminary analysis of first half 2018 operating result

In the first half of 2018, SpineGuard estimates that its net operating loss improved by approximately +50% and should reach -0.8M€ (vs. -1.5M€ in H1 2017).

The company also estimates that the American subsidiary SpineGuard Inc. will generate an operating profit (non-audited) in the first half of 2018.

Stéphane Bette, Co-founder and CEO of SpineGuard, declared: “We continue to work toward and are on track to reach operating profitability by year end and remain focused on our main market, the United States, which recorded a +7% increase in units sold for the second quarter. We also continue to receive extremely positive comments regarding the safety, speed and X-Ray savings of the DSG smart screw. The potential of SpineGuard is confirmed by these results. “

Next financial press release: 2018 Half-year financial results on September 18, 2018

More information on the DSG® technology, its new applications and surgeons’ testimonials here.

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1 Preliminary non-audited results based on the first estimates by company’s management through June 30th, 2018
**About SpineGuard®**

Founded in 2009 in France and the USA by Pierre Jérôme and Stéphane Bette, SpineGuard’s mission is to make spine surgery safer by bringing real-time digital technology into the operating room. Its primary objective is to establish its proprietary DSG® (Dynamic Surgical Guidance) technology as the global standard of surgical care, starting with safer screw placement in spine surgery and then in other surgeries. PediGuard®, the first device designed using DSG, was co-invented by Maurice Bourlion, Ph.D., Ciaran Bolger, M.D., Ph.D., and Alain Vanquaethem, Biomedical Engineer. It is the world’s first and only handheld device capable of alerting surgeons to potential pedicular or vertebral breaches. Over 60,000 surgical procedures have been performed worldwide with DSG® enabled devices. Numerous studies published in peer-reviewed medical and scientific journals have demonstrated the multiple benefits that PediGuard® delivers to patients, surgical staff and hospitals. SpineGuard is expanding the scope of its DSG® platform through strategic partnerships with innovative medical device companies and the development of smart instruments and implants. SpineGuard has offices in San Francisco and Paris. For further information, visit [www.spineguard.com](http://www.spineguard.com).

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