SpineGuard reports third-quarter 2018 revenue

- 5% growth with solid US growth of 8% in Q3
- 3% growth in units in the USA year-to-date in 2018
- Over 200 surgeries performed in the USA with DSG equipped ‘smart screw’

PARIS and SAN FRANCISCO, Oct. 11, 2018 – 18h00 CET – SpineGuard (FR0011464452 – ALSGD), an innovative company that designs, develops, and markets disposable medical devices intended to make spine surgery safer by bringing real-time digital technology into the operating room, announced today that its third-quarter revenue grew to €1.9 million, a 5% increase compared with the same period in 2017.

Stéphane Bette, CEO and co-founder of SpineGuard, said: ‘We are very pleased to return to growth in Q3 in particular in the United States, thanks to significant sales & marketing initiatives that are bearing fruit in a very competitive landscape. We are also very proud to have reached the bar of 200 surgeries with our ‘DSG equipped smart screw’ and are actively pursuing the conversion of new accounts supported by the excellent user feedback on the product. These results were achieved without compromising our commitment to reach operational profitability by year-end.’

<table>
<thead>
<tr>
<th>€ thousands - IFRS</th>
<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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<td>Half-Year</td>
<td>3,626</td>
<td>4,199</td>
<td>-14%</td>
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<tr>
<td>Third Quarter</td>
<td>1,879</td>
<td>1,793</td>
<td>+5%</td>
</tr>
<tr>
<td>Year to Date 9 Months</td>
<td>5,505</td>
<td>5,992</td>
<td>-8%</td>
</tr>
</tbody>
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Unaudited

In the USA, the increase was 8% as reported and 7% in constant currency (cc). Global revenue in the third quarter of 2018 increased 5% to €1,879k, compared with €1,793k in the third quarter of 2017.

Even though a 5% increase was achieved in the third quarter, global revenue for the nine-month decreased 8% to €5,505k, compared with €5,992k in the first nine months of 2017. The growth in the United States was 2% cc.

6,226 DSG equipped units were sold in the first nine months of 2018 (3,948 in the USA, 63% of total units sold) compared with 6,056 (3,818 in the USA) in the first nine months of 2017, a growth in units of 2.8% worldwide and 3.4% in the USA.

In the third quarter, the company also received orders of over 200 units (China and Saudi Arabia) that could not be recognized as revenue in the quarter.
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.

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