Semester report at June 30th, 2021

- **52% significant growth margin increase**
- **Clear improved operating income**
- **Very strong cash position of €14M**

*In thousands of euros Consolidated accounts**	*HY1 2019*	*HY1 2020*	*HY1 2021*	*%Variation 2021/2020*
Revenue	**2 623**	**1 426**	**1 885**	**+ 32%**
Cost of goods sold	- 853	- 540	- 536	
Gross Margin Turnover %	1 670 64%	886 62%	1 349 72%	+ 52%
Operating costs[1]	- 3 348	- 2 250	- 1 832	- 19%
Inlcuding operational costs	- 1 379	- 1 266	-995	
Including personnel expenses	- 1 605	- 1 170	- 1 091	
Operating income	**- 1 578**	**- 1 364**	**- 483**	**+ 65%**
Financial income	- 29	- 10 575	70	
Including Negma financial one-offs1		- 10 561	0	
Non-recurring items	-4	-72	- 203	
Net income	- 1 610	- 12 011	- 617	+ 95%
Including restated net income [2]	**- 1 610**	**- 1 450**	**- 617**	**+ 57%**

** figures unaudited*

Spineway's Board of Directors, at a meeting held on 13 September 2021 chaired by Stephane Le Roux, closed the half-year results as of 30, June 2021.

Spineway confirmed a sharp 153% 2021 half-year turnover increase compared with 2020 same period despite an international economic context still disrupted by the worldwide pandemic. The sales recovery in its main territories allowed the Group to increase its turnover to €1 1885K as at 30 June 2021 and to benefit from a growth of 31% compared with 2020 first semester. The integration of Distimp will enable the group to increase its products order and to develop its sales in the domestic market in the months to come.

Overall significant half-year results improvement

The activity recovery during the first half of the year had to be linked with a gross margin raise of **€1 349K during the same period that was an increase of 52% over the first half of 2020.** This result had been mainly achieved thanks to increases of both sales volumes and prices. **The gross margin rate for the first half of 2021 was of 72%** compared with 62% as of 2020 half-year, even exceeding 2019 half-year rate (64%).

[1] Net of R&D expenses activated since the second half of 2019, i.e. €358K in 2019, €902K in 2020 and €447 as of 2021 first semester

[2] The recording of a one-time financial expense representing compensation for the Negma financing agreement negatively affected the financial income and therefore net income (see January 25, 2021 press release)

In addition, thanks to cost prices' optimization, cost-savings of operational expenses and wages expenses rationalization, **the operating income at -€483K was up 65% compared with 2020 first semester, and 69% compared with 2019 half-year.**

Furthermore, **financial income clearly improved and increased at €70K** compared with a loss of -€10 575K during 2020 first half of the year. The recording of a one-time financial expense of €10.6M during the first semester of 2020 representing a compensation for the Negma financing agreement negatively affected last year financial income and therefore net income[2].

At the same time as operational performances, **half year net income led to -€617K** compared with a loss of -€12 011K during the first half of 2020 (-€1 450K restated from the outstanding financial expense) and **was up 62% compared with the first half of 2019 and up 57% compared with the first half of 2020 proforma net result.**

Strong financial structure and solid cash flow of €14M

During the course of the first semester, the Group treasury benefited from better margins, lower operation costs, and strengthened its cash position via the financing agreement with Negma which led to a €995K capital increase and a €10 505K share premium. As a result, **as of 30, June 2021, the Group's cash position amounted to €14 310K and had a net cash position of €11 563K. The group still had therefore the means necessary to cover its development and investments.**

Furtherance of the group strategy to become a French player in the European spine surgery sector

In accordance with its strategy to build a European spine specialist, **Spineway acquired 100% of Distimp as of 25, June 2021.** This acquisition should enable the Group to strengthen and improve its business positions and sales. Synergies and complementary products ranges will enable the Group to benefit from new growth possibilities and provide surgeons with new high added value operating techniques.

Thanks to a structure of costs optimized and strong financial means, Spineway will take advantage of the market recovery if confirmed. The group is ready to continue its development in its existing territories and is in a position to seize any and all opportunities for external growth offering synergies that would create value for the Group.