CONSOLIDATED FINANCIAL STATEMENTS SPINEWAY GROUP

Period ending June 30th, 2021

Consolidated balance sheet

ASSETS (K €)	Notes	June 30, 2021	December 31, 2020
Intangible assets	3.1	2 287	1 273
including goodwill for		*506*	
Tangible assets	3.2	413	548
Financial assets	3.3	4 510	4 510
Fixed assets		**7 210**	**6 332**
Inventory	3.4	2 280	2 018
Accounts receivable	3.5	1 378	1 079
Deferred tax assets	3.6	-	-
Other accounts receivable & account adjustments	3.7	897	463
Cash and cash equivalent	3.8	14 310	4 857
Current assets		**18 865**	**8 417**
Total assets		**26 074**	**14 747**

Liabilities (K €)	Notes	June 30, 2021	December 31, 2020
Share capital	3.9	1 458	2 263
Premiums, share premium		20 535	8 230
Reserves		-572	13 630
Net income		-617	-14 049
Total shareholder's equity - Attributable to group		**20 804**	**10 074**
Total equity		**20 804**	**10 074**
Supplies	3.10	283	110
Loans and financial debts	3.11	2 747	2 888
Suppliers debts & related accounts	3.12	1 423	843
Fiscal & social debts	3.12	806	819
Other debts & accrued liabilities	3.12	11	12
Total debts		**5 270**	**4 673**
Accrued liabilities	3.12	0	**0**
Total liabilities		**26 074**	**14 747**

Consolidated profit & loss

PROFIT AND LOSS (K €)	Notes	June 30, 2021	June 30, 2020
Revenue	4.1	**1 885**	**1 426**
Provision written back		82	396
Other income	4.2	139	133
Capitalised production		447	399
Other operating income		**669**	**928**
Purchase of goods and changes in inventory		-505	-540
Other external expenses and purchases Single		-995	-1 266
Taxes and similar payments		-29	-22
Salaries and wages		-1 091	-1 170
Depreciation and amortizations are fixed assets		-262	-376
Depreciation and write-down allowances		-133	-337
Other expenses		-23	-8
Operating expenses		**-3 038**	**-3 719**
Operating result		**-483**	**-1 364**
Financial income		106	11
Financial expenses		-37	-10 585
Financial result	4.3	**70**	**-10 575**
Current result before taxes		**-414**	**-11 939**
Extraordinary income		2	515
Extraordinary expenses		-205	-587
Extraordinary result	4.4	**-203**	**-72**
Corporate income tax		0	-
Consolidated result		**-617**	**-12 011**
Result Attributable to controlled group		**-617**	**-12 011**
Not Controlling result		**0**	**-**
Earnings per share (€ / share)	4.5	-0,0001	-0,01
Diluted earnings per share (€ / share)	4.5	-0,0001	-0,008

Variation in the consolidated equity capital

CHANGES IN EQUITY (K €)	Number of shares	Share capital	Premium, share premium	Reserves	Income	Foreign currency translation	Shares of Consolidating company	Share Attributable to equity group	Non controlling interests	TOTAL EQUITY
Balance as of December 31, 2019	**454 571 079**	**4 546**	**8 230**	**-3 095**	**-2 876**	**-87**	**-221**	**6 497**		**6 497**
Net income Alloczated 2019				-2 876	2 876			-14 105		-14 105
Net income					-14 105			17 365		17 365
Share Capital increase	4 178 188 366	15 565	1 800					-		-
Reduction of capital		-19 648		19 648				1		1
Changes in self owned shares							1	264		264
Other currency				-14		58	219			-
Balance as of December 31, 2020	**4 632 759 445**	**463**	**10 030**	**13 663**	**-14 105**	**-29**	**-1**	**10 019**	**-**	**10 022**
Net income Alloczated 2019				-14 105	14 105					-
Net income					-617			-617		-617
Share Capital increase	9 950 022 897	995	10 505					11 500		11 500
Reduction of capital								-		-
Changes in self owned shares								-		-
Other currency			2	-80		-19		-97		-97
Balance as of June 30, 2021	**14 582 782 342**	**1 458**	**20 536**	**-523**	**-617**	**-48**	**-1**	**20 804**		**20 804**

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT (K €)	June 30, 2021	June 30, 2020
Net consolidated income	-617	-12 011
Amortizations, depreciations and provisions	322	503
Charges without any impact on the operating income	192	10 561
Net Gains Losses gold is disposal of fixed assets		
Adjusted cash-flow	**-103**	**-946**
Change in inventory	-125	196
Change in trade receivables	-227	371
Change in trade and other payable	-463	403
Change in other receivable and other payable accounts	317	
Opertaing actvities cashflow	**-601**	**23**
Asset expenditures	-727	-518
Asset Disposals	187	
Consolidating Change in scope impacts	-555	
Investing activities cash flow	**-1095**	**-518**
Increases mainly related to capital and bond loans :	**11 500**	**2 065**
Share capital increase (net of capital increase costs)	11 500	2 054
Bond loans issues	11 500	5 350
Bond issues included in capital	-11 500	-6 610
Increase in current accounts		
Increase (decrease) of advances		1 270
Treasury instruments (MCNE & promissory notes)	**-93**	**-855**
Other reimbursements	**-165**	**-28**
of which of new loans credit institutions	0	
of which repayment of loans credit institutions	-139	-14
COFACE third-party reimbursment	-26	-7
Various reimbursements		-8
Increase (Decrease) in FEDER repayable advances		-
Refund of current accounts		0
Own shares		0
Financing activities cash flow	**11 243**	**1 182**
Foreign currency translation	**-94**	**-4**
Change in cash flow and cash equivalents	**9 453**	**683**
Cash at the Beginning of the period	4 857	2 575
Cash at the end of the period	14 310	3 258

Notes to the consolidated financial statements

These consolidated financial statements of SPINEWAY group cover a 6-month period, beginning on the 01/01/2021 and ending on the 30/06/2021.

All amounts are expressed in K euros unless otherwise specified.

These consolidated financial statements have been built up as if the Group has always existed.

This statement is available in both English and French. In case of discrepancy, the French version shall prevail.

Note 1. Presentation of the Group and significant events of the period

1.1 Information regarding the Group

These consolidated financial statements include SPINEWAY and its American subsidiary SPINEWAY INC (both of these two entities called « the Group »).

Spineway SA is a company incorporated under French law, it is the mother company of the group. It is registered on the Register of Commerce and Companies in Lyon, under the number 484 163 985. The headquarters are located 7 allée Moulin Berger – 69130 Ecully.

Spineway Inc is a company incorporated under American law, created on the 1st of August 2016. It has a share capital of 500K$ and is based in Miami, Florida, 990 Biscayne Blvd, in the United States.

DISTIMP is a company incorporated under French law, a subsidiary of the Group. It is registered on the Register of Commerce and Companies in Lyon, under the number 843 516 782. The headquarters are located 7, allée Moulin Berger - 69130 Ecully.

Spineway is a specialized company in surgical solutions for the spinal column. It designs, manufactures and markets innovative implants and surgical instruments for treating severe disorders of the spinal column.
The use of surgical implants is recommended by specialized orthopedics and neurologic surgeons, after a diagnostic of severe disorders which require a surgical operation to correct and stabilize the spinal column of the patient.

1.2 Significant events from 2021

- Evolution of the COVID Group

In an international context still disrupted by the global pandemic, Spineway recorded a 32% increase in its turnover in the first half of 2021 compared to the first half of 2020 with a particularly marked recovery in the second quarter of 2021 (+ 153%) Despite the situation, the Group maintains and develops its international positions and returns to more standardized levels in Europe.

The situation contributed to a cost analysis aimed at improving the level of margin and operating profit. This period was also an opportunity to review and improve processes, in particular digitization, RSE concerns, client-surgeon relations, etc.

- Continuation of the securing of financing thanks to the NEGMA contract (see 3.9) and the obtaining of 100% of the EMPs (see 1.3), the repayment of which has been deferred by one year

This contract concluded in October 2019 with Negma GROUP LTD by issuing OCA with attached BSA for a total potential amount of 40 million euros corresponding to 16 000 Issue Warrants by June 2022 is intended to finance projects bringing together capital and supporting its strategy, as well as supporting cash flow requirements related to current activity, particularly in connection with the current pandemic.

At the date of this report, there is still 15 million euros in additional financing under this contract, which has enabled a cash contribution of 17 million euros since its conclusion.

- Reinforcement of equity

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from January 2021 to the end of June 2021 resulted in a capital increase of 995 002,30 euros through the creation of 9 950 022 897 shares of 0,0001 euros each and an issue premium of 10 504 997,70 euros.

The capital at June 30, 2021 was made up of 14 582 782 342 shares of 0,0001 euro each.

- Group strategic growth plans

The strengthening of cash and equity capital now allows the group to initiate its growth plan in order to constitute a medium-sized European player specializing in spine. As such, the group acquired a first company, DISTIMP, on June 25th, 2021.

This acquisition allows Spineway to expand its products and services, by offering a wider range of implants and instruments for the treatment of severe spinal diseases as well as new high value-added surgical techniques for surgeons. This transaction will also enable the Group to strengthen its commercial positions, particularly in France, by relying on the large network of spine surgeons available to Distimp (see 2.4.1.1.3).

1.3 Significant events from 2020

- Impact of Covid-19 on the main aggregates

In 2020, the Coronavirus epidemic affected many countries. France was concerned via the containment measures taken since mid-March, but also the US subsidiary and more broadly most of the countries in which the Spineway group operates.

As a reminder, the Group's turnover was strongly penalized in 2020 by the cessation of non-compulsory surgeries linked to the context of the pandemic, resulting in a decrease in turnover of 33%, particularly in connection with very strong underperformance in the 2nd and 3rd quarter of 2020.

The impact of the drop-in turnover, amplified by an export presence in very heavily affected countries, is slightly mitigated in terms of results by the initiation of a cost savings plan. And spending cuts directly related to the inability to travel. As part of government measures to support businesses, Spineway obtained the agreement of its banks to grant a State Guaranteed Loan in the amount of 1 270 000 euros, the maximum that can be granted. This loan thus strengthened the Group's cash flow and enabled it to maintain its activities until the resumption of surgeries in all of its areas of operation.

- Incidence of the Negma contract meeting unfavorable stock market context

In connection with a market price lower than the nominal per share (market underperformance, Covid context and heavily impacted financial markets), the application of the Negma contract resulted in financial charges for a total of € 12 million under the mechanism. contractual compensation and the option chosen by the Group to settle its compensation by issuing bonds and creating shares and not by cash payment so as not to penalize cash. The amount of compensation breaks down as follows:
- 1 450 000 euros in commitment fees
- 6 646 024 euros in compensation
- 2 905 559 euros for revaluation of the debt related to the capital increase of May 19th, 2020
- 976 208 euros for revaluation of the debt related to the capital increase of September 10th, 2020.

- Operations on capital

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from January to April 2020 generated a capital increase of 8 500 000 euros through the creation of 805 000 000 shares of 0.010 euros each.

By decisions dated May 19, 2020, the Chairman and Chief Executive Officer, making use of the powers sub-delegated to him by the Board of Directors on October 3rd, 2019, noted a capital increase of 4 565 217 euros through the creation of 456 521,700 new shares with a par value of € 0.01 each.

By deliberations of the Combined General Meeting of May 26, 2020, the share capital was reduced by 12 012 649.45 euros, from 17 160 927.79 euros to 5 148 278.24 euros, by way of a reduction of the nominal value of the shares from 0.01 euro to 0.003 euro.

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from May to mid-September 2020 generated a capital increase of 2 750 000 euros through the creation of 916 666 666 shares of 0.003 euros each.

By deliberations of the Combined General Meeting of September 16th, 2020, the share capital was reduced by € 7 635 002.40, to bring it down from € 7 898 278.34 to € 263 275.94, by reducing the par value of the shares from 0.003 euro to 0.0001 euro.

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from mid-September 2020 to the end of December 2020 generated a capital increase of 200 000 euros through the creation of 2 000 000 000 shares of 0,0001 euros each and an issue premium of 1 800 000 euros.

The capital at December 31, 2020 was made up of 4 632 759 445 shares of 0.0001 euro each.

- IMS participation

On May 6th, 2019, Spineway took a stake in the capital of INTEGRAL MEDICAL SOLUTIONS (IMS), the leading holding company of a group of companies in the health sector heavily invested in the management of hospitals in Latin America and in Africa.

Difficulties in implementing the operational side led the company to negotiate the outcome of this participation with IMS.

Proceedings have been initiated before the arbitral tribunal. It should be noted that no factual element has been provided by IMS since the filing of the request for arbitration in early August 2020. SPINEWAY therefore remains the owner of the securities.

To date, there is no indication of a loss in value of IMS securities.

- Tax audit

The company was the subject of a tax audit in 2014, after which the administration sent a formal notice to Spineway for 191 K€.

The first judgment in the administrative court was unfavorable to the group, the company settled the total amount requested by the administration in July 2018. The company appealed the judgment.

The Lyon administrative court of appeal by judgment dated June 4th, 2020 quashed the judgment of the administrative court. Thus, the financial statements for the first half of 2020 take into account an exceptional income from previous years of € 199K, amount received in September 2020.

1.4 Continuity of business activity

Spineway's business induces a significant need for working capital related to the collection delays of receivables, health facilities in France and distributors outside France, and a high level of inventory made necessary by the availability of implant ranges.

The 2021 continuity of business activity is based on:

- Assumptions of receipts related to the budget of turnover,
- The financing lines of the WCR given the banking pool. As of June 30, 2021, short-term lines amounted to 1 120 000 euros, which breaks down into 350 000 euros in financial notes and 770 000 euros in MCNE. These financing lines will be renegotiated before the end of fiscal year 2021;
- Funding guaranteed under the Negma contract (see note 1.2) dedicated to cash flow requirements linked to activity and organic growth which secure at least cash requirements for the coming year.

1.5 Significant post balance-sheet events

Nothingness.

Note 2. Accounting principles and consolidation rules

2.1 Basis of preparation of the financial statements

These consolidated financial statements beginning on the 01/01/2021 and ending on the 30/06/2021 were approved by the board of Direction on September 13th, 2021.

2.2 Accounting standards

The consolidated accounts were prepared in accordance with the French general rules and principles.

2.2.1 Applicable accounting standards

The accounting rules and methods applied comply with ANC regulation n ° 2020-01 applicable since January 1st, 2021. The 2020 financial statements were closed in accordance with CRC regulation n ° 99-02. The new regulation applies prospectively to transactions. and contracts that arose from January 1st, 2021.

The financial statements of consolidated foreign companies, prepared in accordance with the rules in their respective countries, are restated to comply with Group principles.

The consolidated accounts have been approved by the Chairman of the Board of Directors in accordance with the principle of going concern.

2.2.1 Impact of changes in accounting standards

The main impact of the change in standards for the group relates to the recognition of translation differences in monetary assets and liabilities. Until December 31, 2020, the group applied the preferential method which consisted of recognizing differences in profit or loss.
The new ANC regulation n ° 2020-01 now prohibits this accounting method.

For the other accounting methods which become mandatory under the new regulations, these being preferential methods, the Group was already applying them.

The impacts of the change in accounting method on the translation differences of assets and liabilities are as follows:

- Reconstitution of the opening ECP in return for consolidated reserves
- Cancellation of the 2020 unrealized exchange income having an impact of € 1K on consolidated reserves
- Reconstitution of opening ECAs in return for PRCs (see note 3.7)

2.3 Consolidation method

The consolidation methods are the following:

- The companies over which the Group has exclusive control are consolidated through full integration.

- Jointly controlled companies are consolidated by the proportional method
- Entities over which the Group has significant influence are accounted for using the equity method.

Non-significant subsidiaries or shareholders and about to be sold were not consolidated.

These consolidated financial statements include SPINEWAY, its 100% owned American subsidiary SPINEWAY Inc, fully owned, and its French subsidiary DISTIMP also fully owned since June 25th, 2021. Those 2 subsidiaries are consolidated under the full integration method.

2.4 Rules and accounting methods

The consolidated accounts respond to the following principles:

- Historical cost convention
- Continuity of business activity
- Continuity of accounting rules and principles
- Separation and independence of accounting periods.

2.4.1 Consolidation adjustments

After harmonization, the following rules were respected:

- The use of accounts covering a 12-month period beginning on the 01/01/2021 and ending on the 30/06/2021 for all the Group entities,
- The application of homogeneous accounting methods for all the Group entities
- The elimination of intercompany transactions between the Group entities

2.4.1.1 Goodwill

The difference between the acquisition cost and the acquiring company's share in the fair value of the identifiable assets and liabilities of the acquired company is recorded on the assets side of the consolidated balance sheet under the heading "Intangible assets" when it is positive, on the liabilities side of the balance sheet in a specific item when it is negative.

When a business is acquired, the cost of acquiring the securities is allocated, based on their fair value, to the identifiable assets and liabilities of the business acquired. The fair value of identifiable intangible assets, such as brands and licenses, is determined by reference to generally accepted methods, such as those based on revenues, costs or market value.

The Group determines the useful life, whether limited or not, of the goodwill, based on a documented analysis of the relevant characteristics of the relevant acquisition transaction, in particular on technical, economic and legal aspects.

Where there is no foreseeable limit to the period during which the goodwill will provide economic benefits to the group, the latter is not amortized.

When, upon acquisition, there is a foreseeable limit to its useful life, goodwill is amortized on a straight-line basis over this period, or, if it cannot be determined reliably, over 10 years.
Any significant change in the useful life of goodwill is treated prospectively.

The Group identifies, at each closing of accounts, whether there is an indication that goodwill may have lost value. When there is an indication of impairment, an impairment test is performed: the net book value of the goodwill is compared to its current value. If its present value falls below its net book value, the latter is reduced to the present value through depreciation.
When the useful life of goodwill is unlimited, the impairment test is performed at least once per fiscal year, whether or not there is an indication of impairment.
The recorded depreciations are never reversed.
When the period of use of the goodwill, originally estimated as unrestricted, becomes limited with regard to one of the criteria mentioned in the second paragraph of this article, an impairment test is carried out; goodwill, if applicable impaired, is amortized over the remaining useful life.

2.4.1.2 Foreign currency transactions

Foreign currency transactions are converted at the day exchange rate and, when appropriate, at the coverage rate if subscribed before the operation.
All costs incurred to set up a coverage rate are integrated to the cost of acquisition.

Foreign currency debts, receivables and available resources are stated on the balance sheet for their counter value at the end of the period. The occurring spread is stated as an exchange rate difference on the balance sheet.

The Group has been using the average exchange rate of the first semester for the calculation of the turnover S1. The average of those two exchange rates has been used as the exchange reference rate for the calculation of amounts in the profit and loss.

The net amount of unrealized exchange loss is booked under a provision for contingent liabilities in compliancy with regulation.

2.4.1.3 Deferred taxes

In accordance with the requirements ANC 2021-01, the Group recognizes deferred taxes in the event of temporary differences between the tax and book values of assets and liabilities on the consolidated balance sheet. If the amounts are significant.

In accordance with the liability method of tax allocation, the effect of any changes in tax rates on deferred taxes recorded earlier is entered in the income statement for the financial year in which the changes in rates became known.

The taxes restatements for foreign affiliates are estimated at the tax rate in force in the country concerned. The tax rate in the United States of America is progressive and depends on numerous factors (amount of prior losses …).

Total deferred tax assets resulting from temporary differences and tax loss must not exceed the estimated value of the tax that may be recovered. This probability is estimated at each year end closure.

Over the presented periods, the tax loss carryforwards are not capitalized as there is no visibility on their imputation against future revenues.

2.4.2 Accounting principles

2.4.2.1 Research and development costs

The costs are capitalized only if the projects initiated meet the following criteria:
- The project or process is clearly defined and the related costs are measured reliably and clearly identified,
- Technical feasibility is demonstrated
- The product or process has a serious chance of being marketed or used internally,
- The assets generate future economic benefits,
- Adequate technical and financial resources and other resources necessary for the completion of the project are available.

The company, since the second semester of 2019, has fulfilled all the criteria for activating development projects.

Any development costs incurred for projects that do not meet these criteria would be recognized in the income statement as soon as they are committed.

Development expenses include direct and indirect costs incurred on projects and in particular the salaries of researchers, engineers and technicians as well as subcontracting costs incurred for development activities.

The development effort gives rise in the first half to the recognition of capitalized production of development costs in the Intangible assets in progress account for an amount of 447 481 € for S1 2021.

When the costs are activated, they will be amortized on a straight-line basis.

When there is an indication of impairment, and at each year-end, the development projects entered on the assets side of the balance sheet are analyzed to ensure that each project still meets the criteria activation. Where applicable, impairment is recognized.

It should be noted that, in accordance with French rules in this area, the existence of assets in the balance sheet of development costs not yet amortized and greater than the amount of free reserves is an obstacle to distribution.

2.4.2.2 Tangible and intangible assets

Both tangible and intangible fixed assets are recorded at their purchase price when they are purchased, at their production cost when they are produced by the company, at their fair market value when they were given to the company.

The depreciations are calculated by the straight-line method for the duration of their expected useful life.

* Establishment fees: 5 years
* Concessions and similar rights, patents, licenses: 1 year
* Software: 1 to 3 years
* Other intangible assets: 10 years (patents)
* Equipment testing/controls: 1 to 2 years
* Industrial machinery and equipment: 3 years, including instrument kits provided to customers

* Other installations and equipment: 3 to 10 years
* Office equipment: 3 to 10 years
* IT equipment: 3 years
* Office furniture: 3 to 10 years

By simplification, the depreciable life withheld for goods that are not decomposable is their expected useful life.

Accreditation fees are capitalized when they are related to current accreditation reports owned by a third party.

Lease :
Goods acquired via financial lease are booked as tangible assets against the corresponding debt recognized in borrowings for the same amount. The corresponding assets are depreciated over a useful life identical to that of property, plant and equipment acquired.

The capitalization of leasing contacts, if significant, leads to rise a deferred tax asset, when appropriate.

2.4.2.3 Financial assets

This item largely consists of:
- equity interests in companies that are not included in the scope if consolidation
- guarantees and deposits paid

A provision for depreciation is booked if the book value of the participations is less than the acquisition cost. The value at year-end is the value in use which represents what a company would agree to pay to acquire these securities if it had to acquire them. Among the elements taken into consideration : profitability, a cost-benefit perspective, shareholders' equity, …

2.4.2.4 Stocks

The inventories are recorded at their purchase price.

The acquisition cost is made up of its purchase price, including custom duties and non-refundable taxes, as well as transport costs, handling costs and all direct set up costs, together with production costs of raw materials, merchandizes, work in progress and finished products costs. Commercial discounts, rebates, cash discounts and assimilated items are deducted from the purchase price.

The inventories are impaired (where appropriate) through an impairment provision to reflect their market value at the end of the period, when the latter is inferior to the net book value.

Inventories were, where applicable, depreciated by means of a provision for depreciation to take account of their net realizable value on the closing date of the accounts, in the event that the latter is lower than the net book value.

The inventories mainly consist of merchandize for sale.

The company reviewed and readjusted its inventory values as of June 30, 2021 (the expiration date of certain batches of products) and in particular:

- 100% depreciation of expired, obsolete, waste, unusable products (CE 0434 marking) and

whose expiration is less than 1 year
- 50% depreciation of expiries between 1 and 2 years
- Depreciation between 95% and 100% of slow-moving stocks
- Depreciation at 91% of isolated products.

2.4.2.5 Receivables

Trade receivables are valued at their nominal value, less (where appropriate) an allowance to write them down to their estimated net realizable value.

As part of its trading activity, the Group ensures its working capital requirements by the use of short-term instruments such as cross border claims mobilized (MCNE) and promissory notes (BF).

Provisions for impairment on trade receivables are calculated on the following basis:
- Risks of litigation, insolvency or legal liquidation (depreciation bookings)
- Analysis per customer together with its country of implementation assessment.

2.4.2.6 Provisions and contingencies

A provision is recorded as soon as there is an obligation (legal or implied) in relation to a third party, insofar as it may be reliably estimated, and it is likely to be reflected in an outflow of resources for the Group.

A contingent liability is either:
- a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or otherwise of one or more uncertain future events, that are not under the full control of the business
- a present obligation arising from past events, but which is not recognized either because an outflow of resources is unlikely or because the amount of the obligation cannot be measured with sufficient reliability.

2.4.2.7 Retirement benefits

The Group does opt for application of the preferred method: the commitments of the Group's entities are booked as a liability on the balance sheet under provisions for risks and expenses.
The retirement benefit imposed on the Group is made up of the termination benefits of the French employees, legislation requires that lump sum retirement indemnities be paid employees based upon their years of service and their salary at the time of their retirement.

The calculating assumptions used are identical for the both compared periods.

2.4.2.8 Long-term liabilities

Loans are valued at their nominal value.
The costs relating to the issue of bonds are directly absorbed.
Accrued interests are recorded in the liabilities, at the interest rate specified in the contract.

Guarantees and advances given by public entities to support research activities of the company or commercial prospection, and for which repayments are conditional, are recognized in financial liabilities.

In case of failure, the debt write-off granted is recorded as a grant.

2.4.2.9 Revenue

For direct sales to hospitals (mainly domestic, France), the gross revenue is booked as of the transfer of propriety on the merchandize to the customer. In most cases, the customer, hospital or clinic, informs the company of the references used in the provided stock (by loan or consignment) to the customer. Following which, an invoice is issued for the used merchandize. The revenue is realized at the moment the invoice is issued.

For sales towards abroad distributors, the bookkeeping is compliant with INCOTERM regulations. Where appropriate, an adjustment is calculated, in order to factor in the specific conditions regarding the transfer of propriety stated in the orders or agreements.

The revenue is made up of the invoicing after deduction of discounts and rebates. Transport fees are charged back and are also included in the revenue.

2.4.2.10 Lease contracts

The Group uses some long-term leasing contracts regarding the vehicles fleet and computer equipment. Given the frequency of renewal of the goods in use, no adjustment has been made.
The goods involved in leasing contacts are not included in the assets.

2.4.2.11 Financial income

The financial income is mainly due to interests on loans and Forex losses and gains.

2.4.2.12 Extraordinary income

Extraordinary income and expenses are related to transactions and events with no direct relation with the activity of the company.

2.4.2.13 Tax credits

In application of the general principle of the predominance of substance over form in the consolidated accounts and, in particular, of restatement of tax entries provided for in ANC regulation 2020-01, tax credits (research tax credits and innovation tax credits) are presented under “Other income”.

2.4.2.14 Earning per share

Net income per share is calculated dividing the net income attributable to equity holders by the smoothed average number of outstanding stocks during the financial period.

Diluted earnings per share is computed in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents.

2.4.2.15 Receivable under assignment

Assignments of receivables guaranteed by the factoring company are recognized on the day of the assignment of receivables.

2.5 The use of judgements and estimates

The preparation of financial statements requires the use of judgements and estimates by the management of the Group; which may affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and of revenue and expenses for the semester.

These estimates assume the business will continue to operate as a going concern and are measured using information available at the time of preparation. They are continuously assessed based on past experience, as well as various other factors deemed to be reasonable that represent the basis for the assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they are based change or if new information arises. Actual results could differ significantly from these estimates under different assumptions or conditions.

In the preparation of these consolidated financial statements, the main estimates and assumptions made by the Direction and the principal assumptions are:

- the evaluation and depreciation of tangible and intangible assets
- the calculation of deferred taxes
- the calculation of provisions

2.6 Segment information

The Group only identified one operational segment which corresponds to the design, the manufacturing and the marketing of innovative implants and surgical instruments for treating severe disorders of the spinal column.

Note 3. Notes on the consolidated balance sheet

3.1 Intangible assets

INTANGIBLE ASSETS GROSS (K €)	Probate fees	Software	Goodwill	Other intangible assets	Assets in progress & advances	Total gross
Balance as of December 31, 2019	**123**	**152**	**-**	**13**	**358**	**645**
Increase	-	-		-		-
Decrease	-	-		-	883	883
transfers	-	-		-	-	-
Balance as of December 31, 2020	**123**	**152**	**-**	**13**	**1 241**	**1 529**
Increase	-	6		-	447	453
Decrease	-			-		-
Changes in scope	75		506	3		584
Transfers	-	-		-	-	-
Balance as of June 30, 2021	**198**	**157**	**506**	**16**	**1 688**	**2 566**

INTANGIBLE ASSETS GROSS (K €)	Probate fees	Software	Goodwill	Other intangible assets	Assets in progress & advances	Total gross
Balance as of December 31, 2019	**-99**	**-115**		**-12**	**-**	**-226**
Amortizations	-15	-14		-1		-30
Decrease						-
Balance as of December 31, 2020	**-114**	**-129**	**-**	**-12**	**-**	**-255**
Amortizations	-5	-8		-		-13
Decrease						-
Changes in scope	-10			-2		-12
Balance as of June 30, 2021	**-129**	**-137**	**-**	**-14**	**-**	**-279**

Intangible assets NET (K €)	Probate fees	Software	Goodwill	Other intangible assets	Assets in progress & advances	Net total
Balance as of December 31, 2020	9	23		-	1 241	1 273
Balance as of June 30, 2021	70	21	506	2	1 689	2 287

**The amount of 1 688K€ of assets in progress are related to the R&D costs.*

The breakdown by geographical area, sector of business activity or currency (which represents over 10% of the total consolidated) for the tangible assets is not relevant as the amount of assets of the American subsidiary are not significant.

The probate fees represent the costs incurred to get commercialization allowances which already exist in order to avoid paying the project costs.

Goodwill of the company DISTIMP

SAS DISTIMP, acquired at 100% on June 25th, 2021 for 574K euros acquisition costs included, resulted in the recognition of goodwill of 506K euros. The acquisition protocol provides that the acquisition price is based on earn-out clauses. These may, possibly, lead to additional prices payable in 2022, 2023 and 2024 depending on actual turnover, gross margin, Working Capital Requirements and specific expenditure envelope for the activity (regulatory costs, loan of instrument kits) recorded at the end of June.
Thus, goodwill could be the subject of adjustments over the years concerned according to the earn-outs to be paid, the amount of which cannot be known in advance.

The Group believes that there is no foreseeable limit to the length of time that goodwill will provide economic benefits to the group. This is why it is not amortized. The company will perform an impairment test annually to ensure the fair value of goodwill.

Identifiable assets and liabilities are recorded in the consolidated balance sheet at their entry value. The entry value is the price that the acquiring entity would have agreed to pay if it had acquired the separately identified assets and liabilities. The valuation of the entry value of an asset takes into account the use envisaged by the Group.

The impact of the acquisition on the positions of the summary statements is as follows:

Assets	95 K€
Inventories	239 K€
Commercial debts	126 K€
Cash and equivalent	22 K€
Financial debts	-116 K€
Other debts	-296 K€

The impact on the profit and loss result for the period from 25th June 2021 to 30th June 2021 is as follow:

Turnover	11 K€
Profit	10 K€

3.2 Tangible assets

TANGIBLE ASSETS GROSS (K €)	Constructions	Instal. Techn., Mat. & Out.	Other tangible assets	Assets in progress & advances	total gross
Balance as of December 31, 2019	**97**	**5 350**	**429**	**-**	**5 876**
Increase	1	96			97
Decrease					
Balance as of December 31, 2020	**98**	**5 446**	**429**	**-**	**5 973**
Increase	8	65	14		86
Decrease					
Changes in scope		43	9	1	53
Balance as of June 30, 2021	**106**	**5 553**	**452**	**1**	**6 112**

Amortizations OF TANGIBLE ASSETS (K €)	Constructions	Instal. Techn., Mat. & Out.	Other tangible assets	Assets in progress & advances	Total Amortization
Balance as of December 31, 2019	**-69**	**-4 528**	**-381**	**-**	**-4 978**
Amortizations	-9	-420	-18		-447
Decrease					-
Balance as of December 31, 2020	**-78**	**-4 948**	**-398**	**-**	**-5 424**
Amortizations	-5	-236	-9		-250
Decrease					-
Changes in scope		-21	-3		-25
Balance as of June 30, 2021	**-83**	**-5 206**	**-410**	**-**	**-5 699**

Tangible assets NET (K €)	Constructions	Instal. Techn., Mat. & Out.	Other tangible assets	Assets in progress & advances	Net total
Balance as of December 31, 2020	20	497	31	-	548
Balance as of June 30, 2021	23	347	41	1	413

Technical installations are instruments kits provided to customers, either deposited either lent.

3.3 Financial assets

FINANCIAL ASSETS GROSS (K €)	Equity securities	Account receivables related to participante interests	Deposits and Guarantees	Other receivables	Gross total
			-		
Balance as of December 31, 2019	**4 420**	**-**	**92**	**-**	**4 512**
Increase			-2		**-2**
Decrease					-
Balance as of December 31, 2020	**4 420**	**-**	**90**	**-**	**4 510**
Increase					
Decrease					
Balance as of June 30, 2021	**4 420**	**-**	**90**	**-**	**4 510**

Amortization of financial assets (K €)	Equity securities	Account receivables related to participante interests	Deposits and Guarantees	Other receivables	Total amortization
Balance as of December 31, 2019	-	-	-	-	-
Endowment					
Balance as of December 31, 2020	-	-	-	-	-
Endowment					
Balance as of June 30, 2021	-	-	-	-	-

Financial Assets NET (K €)	Equity securities	Account receivables related to participante interests	Deposits and Guarantees	Other receivables	Net total
Balance as of December 31, 2020	4 420	-	90	-	4 510
Balance as of June 30, 2021	4 420	-	90	-	4 510

Non-consolidated investments consist of a minority interest in INTEGRAL MEDICAL SOLUTIONS (IMS), the leading holding company of a group of companies in the health sector, heavily invested in hospital management in Latin America and Africa.

No indication of impairment has been identified.

3.4 Stocks

Inventory (K €)	June 30, 2021	December 31, 2020
Inventory of goods	3 339	2 968
Gross amount	**3 339**	**2 968**
Depreciation and write-down	-1059	-950
Net amount	**2 280**	**2 018**

The inventories mainly consist of merchandize for sale.

The provision for depreciation concerns some batches of products that have reached the end of their expiry date, are obsolete, must be scrapped or whose CE marking number no longer allows them to be considered for sale. It also relates to impairments for slow rotation.

3.5 Trade and other receivables

Customers (K €)	Gross amount	Overdue under 2 months	Overdue entre 2 months and 1 year	Overdue past one year	depreciations	net amount
Balance as of December 31, 2020	1 320	1 068	11	241	-241	1 079
Balance as of June 30, 2021	1 628	1 173	170	35	-250	1 378

The end users of the company's products are hospitals and clinics who have particularly long payment terms, especially in certain countries. This explains the outstanding trade receivables.

On the first semester 2021, the company classified the debt of one distributor as doubtful customer for 11 135 € and has partially written off a previous accrual for 2 417 euros. The total amount doubtful customers at June 30th, 2021 amounted to 249 890 €, amount fully depreciated.

3.6 Deferred tax assets

The tax loss carryforwards amount 24 M€ at June 30th, 2021. They were not activated in the absence of visibility as to their allocation to future results. The company generated a deficit of 647 K euros on the 1est semester 2021.

As a result, and in a sake of coherence, the total deferred tax assets resulting from consolidation adjustments and temporary differences (non-significant) has not been recorded.

3.7 Other receivables

TAX CREDITS AND OTHER CURRENT ASSETS (K €)	June 30, 2021	December 31, 2020
Tax credit for research and development	324	220
Tax credit for innovation	32	11
Tax credit for employee compétitivité	3	1
Tax receivables (VAT, ...)	187	93
Social receivables institution	7	9
Discounts to obtain	0	16
deferred expenses	136	108
Miscellaneous receivables	16	4
Impact of foreign exchange translation*	193	
Gross value	**897**	**462**
Depreciation and write downs		
Net value	**897**	**462**

*

Foreign exchange translation 31 Dec 2021	0 K€
Reclassification (see 2.2.1)	297 K€
Amortization	0 K€
Decrease	-104 K€
Foreign exchange translation 30 June 2021	193 K€

At December 31st, 2020 the research tax credit has an amount of 220 128 euros and the tax credit for innovation has an amount of 11 492 euros.
At June 30th, 2021 the research tax credit has an amount of 103 511 euros and the tax credit for innovation has an amount of 20 640 euros.

The research tax credits, and innovation tax credits are presented in the « Other income » caption.

3.8 Availabilities

CASH AND CASH EQUIVALENTS (K €)	June 30, 2021	December 31, 2020
Bank accounts	4 406	4 857
Short term deposits	9901	
Factoring	3	
Cash and cash equivalents	**14 310**	**4 857**
Outstanding bank overdrafts	**-**	**-**
net cash	**14 310**	**4 857**

The excess cash balance comes from increases in capital following the conversion of warrants, the unconverted bond loan balance and the obtaining of PGEs.

3.9 Share capital

See paragraph 1.2

The capital at June 30th, 2021 was made up of 14 582 782 342 shares of 0.0001 euros each, ie a capital of 1 458 278,24 euros.

The Negma Group Ltd (OCABSA Negma) convertible bond financing plan was approved in October 2019 for a potential total amount of 40 million euros corresponding to 16 000 Warrants by June 2022.

The purpose of this contract is to finance capital merger projects and support its strategy, but also to support cash flow requirements related to current activity, particularly in connection with the current pandemic.

The implementation of the financing plan on June 30, 2021 is as follows:

In K€	Obligatory loan amount :	Of which :		Which generated :	
		Brought in cash	Issued for clearing compensations :	Commitment fees	Compensations for :
Phase 1					
Tranche 1 - Dec 23rd 2019	2 000	2 000	0	1 450	2 275
Tranche 2 - March 30th 2020	1 800	300	1 500		2 047
Phase 2					
Tranche 1 - April 16th 2020	2 800		2 800		2 324
Tranche 2 - May 21st 2020	750	750	0		251
Tranche 3 - September 77th 2020	2 000	1 314	686		976
Tranche 4 - November 13th 2020	1 000	24	976		
Phase 3					
Tranche 1 - Dec 21st 2020	1 000	1 000	0		
Tranche 2 - January 4th 2021	1 000	1 000	0		
Tranche 3 - January 19th 2021	1 500	1 500	0		
Tranche 4 - February 12th 2021	1 000	1 000	0		
Tranche 5 - February 17th 2021	1 000	1 000	0		
Tranche 6 - February 18th 2021	500	500	0		
Phase 4					
Tranche 1 - March 2nd 2021	3 000	3 000	0		
Tranche 2 - March 15th 2021	2 000	2 000	0		
Tranche 3 - March 24th 2021	1 500	1 500	0		
	22 850	16 888	5 962	1 450	7 873
				9 323	

On January 6th, 2021, an amendment was signed concerning the contract with Negma. This amendment grants a retrocession of 34 113 815 BSA to Spineway and a modification of the coverage of the BSA which increases to 20% (versus 30% previously).

Following the Board of Directors meeting of January 25th, 2021, the company decided to set up a free share allocation plan.

3.10 Provisions

PROVISIONS (K €)	Litigation	Pensions and Assimilated bonds	other	Provision for foreign exchange losses	Total
Balance as of December 31, 2019	**15**	**54**	**37**	**-**	**107**
Increase	-	19	36		55
Reversal	-15	0	-37		-52
Reversal of unused					-
Write back of provision not used					
Balance as of December 31, 2020	**-**	**74**	**36**	**-**	**110**
Reclassification*				297	297
Increase		3			3
Reversal			-23	-105	-127
Change in scope					-
Balance as of June 30, 2021	**-**	**77**	**13**	**193**	**283**

* Since the adoption of the ANC 2020-01 regulation, it is no longer possible to recognize currency translation differences between monetary assets and liabilities in profit or loss.
As a result, the reclassification of December 31, 2020 is canceled.

The retirement benefits calculating assumptions are based on the following actuarial data:

	June 30, 2021	December 31, 2020
Retirement age	Between 60 and 67 years	Between 60 and 67 years
Discount rate	0,79%	0,50%
Wages growth rate	0%	0%
Rate of social security	44% (C), 22% (NC)	44% (C), 35% (NC)
Mortability table	Insee 2016-2018	TG05
Probability of presence at retirement age (Before mortality)	Less than 30 years 85% From 30 to 40 years: 90% From 40 to 50 years: 97% From 50 to 60 years: 100% More than 60 years: 100%	Less than 30 years 85% From 30 to 40 years: 90% From 40 to 50 years: 97% From 50 to 60 years: 100% More than 60 years: 100%

It should be remembered that the Group does opt for application of the preferred method: the commitments of the Group's entities are booked as a liability on the balance sheet under provisions for risks and expenses for 77K€ at the 30th of June 2021 versus 74K€ at the 31st of December 2020.

The retirement benefit imposed on the Group is made up of the termination benefits of the French employees, legislation requires that lump sum retirement indemnities be paid employees based upon their years of service and their salary at the time of their retirement.

The calculating assumptions used are the following:

- Discount rate : 0,79% at June 30th 2021 (0,5% at 31st of December 2020)
- Mortality table : according to the INSEE 2016-2018 as of TG05 at December 31st 2020
- Staff turnover low

3.11 Borrowings and financial debts

LOANS AND FINANCIAL DEBTS (K €)	December 31, 2020	Issued	Reimbursed	Changes in scope	Other variations	June 30, 2021
Loans	1 804		-143	115	5	1 780
Accrued interest is loans	7	6	-5	0	-1	7
Jump	0	11 500			-11 500	0
Overdrafts - bank	-		-			-
promissory notes	350	700	-700			350
Factoring of receivable abroad	530	721	-814			437
Advance FEDER	-		-			-
Guarantee COFACE	198		-26			172
Financial lease debts	-		-			-
Loans and Financial Debts	**2 889**	**12 927**	**-1 688**	**115**	**-11 496**	**2 747**

The maturity schedule for financial debts:

Debt statements	Gross amount	Under 1 year	Between 1 and 5 years	Over 5 years
Loans	1 780	393	1 387	
Accrued interest is loans	7	7		
Bond issue	0	0		
Overdrafts - bank	-	-		
promissory notes	350	350		
Factoring of receivablesr abroad	437	437		
FEDER advance	-	-		
COFACE guarantee	172	172		
Financial lease debts	-			
TOTAL	**2 747**	**1 360**	**1 387**	**-**

The MCNE (cross border claims mobilized) and BL (promissory notes) have both floating rates.
The details of short-term instruments used at the 30/06/2021 are as follows:
MCNE (cross border claims mobilized): 437 308 euros used on a total of 770 000 euros. The MCNE reach maturity upon payment of the invoice by the customer.
BF (promissory note): 350 000 euros used on a total of 350 000 euros. The promissory notes are subscribed for 90 days. At the 30/06/2021, the taken promissory notes cover the period from 01/07/2021 to 31/10/2021 and will be renewed at maturity.

As of June 30th, 2021, Spineway has recorded 8 bank loans in progress.
In the context of COVID-19, the French company has subscribed to four State Guaranteed Loans for a total of € 1 270 000 over 12 months at a rate of 0% with its banks.
Given the continuing pandemic context and the latest government measures, the company has opted to defer the start of repayment of these loans to one year.
Those State Guaranteed Loans are therefore more than a year away.

Regarding the 4 loans which cover 23% of the remaining amounts at the date of June 30th, 2021 under the borrowings contracted by Spineway, the covenants for example are:

- To allow controls on the accuracy of evidence provided on the basis of records or on the spot
- Obligation to furnish information:
  - Accounting records (annual accounts, interim financial statements …)
  - Major changes in the financial situation (any event likely to affect significantly the volume of financial commitments, any decision of breaking away or non-renewal regarding short term bank borrowings, …) or legal (change in social

form, change of representative, collective proceeding, loss of half the corporate capital, merger, …)

- To wholly archive the purpose of the loan and to inform the lender of any change which leads to modify the initial purpose of the funded and financed project.
- To supply all evidences related to the purpose of the loan and the amount of the expenditure.

Regarding the borrowing contracted in dollars:

- To bear the exchange risk rate and establish the required reporting requested by the regulation of foreign exchange.

At June 30th, 2021, Spineway anticipates no non-compliance of these covenants.

The two main loans contracted by Spineway were taken out by BPI for a global amount of 1 000 K€.

BPI Prêt Innovation contract subscribed on December 12th 2014 :
Initial amount borrowed : 400 K€
Rate : 4,12% (fixed)
Length : 7 years
Initial deadline : 31/12/2021. Awaiting new timeline
Deadline : trimestral
Conditions of repayment : 8 trimesters of amortization deferred followed by 20 quarterly instalments (capital amortization + interests)
Purpose of the loan : reinforcement of the financial structure
Commitment of Spineway :

- To issue a capital increase of the minimum 1 240 K€ (realized on July 16th 2014)
- To allow controls

BPI Prêt Innovation contract subscribed on October 14th 2014 :
Initial amount borrowed : 600 K€
Rate : 3,15% (fixed)
Length : 6 years and 9 months
Deadline : trimestral
Conditions of repayment : 7 trimesters of amortization deferred followed by 20 quarterly instalments (capital amortization + interests)
Purpose of the loan : the funding of immaterial expenditures linked to the industrial and commercial launch of the innovation

Commitment of Spineway :

- To subscribe to a death and invalidity Group insurance contract for Mr. Le Roux and Mr. Laurito. Amount insured : 300 K€ each. (These contracts have been subscribed).
- To allow controls

At June 30th, 2021 the total outstanding regarding those two loans amounts is 170 K euros on a total of 1 665 K euros of loans.

The company mobilizes cross border claims, these claims are not subject to any deconsolidation as the Group keeps the risk of non-payment linked to those claims.

The Coface guarantee is a subvention received for prospecting expenses incurred on geographical areas where the company had no turnover, which are some European and some Asian countries. This subvention will be reimbursed on the basis of a commission calculated on 7% of the realized turnover made by the company in these countries, the reimbursement will occur from October 1st

2017.
The total amount of subvention received since 2015 reaches 267K€.

The company has reimbursed 23 K€ in 2018, 44K€ in 2019, 7 K€ in 2020 and 26 K€ at June 30th, 2021.

3.12 Liabilities

SUPPLIERS AND OTHER DEBTS (K €)	June 30, 2021	December 31, 2020
Suppliers	1423	848
Social institutions and contributions	772	850
Tax payable	34	22
Other payable	10	10
Deferred revenues		
TOTAL	**2 239**	**1 731**

Maturity (K €)	June 30, 2021	December 31, 2020
Under 1 year	2 239	1 731
Over 1 year		
TOTAL	**2 239**	**1 731**

The increase in social debts is linked to the delay in payment of charges during the 2020 confinement period for an amount of 399K euros. A clearance plan is underway.

Note 4. Notes on the consolidated profit and loss

4.1 Revenue

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

Revenue (K €)	June 30, 2021		June 30, 2020	
Sales of goods France (1)	282	15%	184	13%
Sales of goods - USA	23	1%	26	2%
Sales of goods - Abroad (2) :	1 580	84%	1 216	85%
ASIA	*432*	*27%*	*333*	*27%*
EUROPE	*134*	*8%*	*154*	*13%*
AMLAT	*868*	*55%*	*623*	*51%*
MEA	*146*	*9%*	*106*	*9%*
Revenue	**1 885**	**100%**	**1 426**	**100%**

(1) Sales mainly generated with hospitals and clinics
(2) Sales mainly realized towards abroad distributors

4.2 Other products

Other operating income (K €)	June 30, 2021		June 30, 2020	
Tax credit for research and development	104	74%	90	68%
Tax credit for innovation	21	15%		0%
US subvention		0%	43	32%
Other income	15	11%	-	0%
Other operating income	**139**	**100%**	**133**	**100%**

The other income consists of the research tax credit from the French company.

5.3 Financial income

Financial result (€ K)	June 30, 2021	June 30, 2020
Exhange gains	105	
Other financial income	2	11
Other financial Losses	-26	-10567
Interest in loans	11	-18
Financial result	**70**	**-10 574**

The financial result is mainly composed exchange gains and losses, interest on bank loans, provisions and reversals of provisions.
As a reminder, as of June 30th, 2020, the financial result was mainly composed of financial charges under the contractual compensation mechanism.

4.4 Extraordinary income

EXTRAORDINARY RESULT (K €)	June 30, 2021	June 30, 2020
Income from previous years	2	505
Provision for Risks and costs written back		
Other extraordianry income		10
Extraordinary income	**2**	**515**
Expenses from previous years		-477
Provision for Risks and costs		-110
Other extraordinary expenses	-205	0
Extraordinary expenses	**-205**	**-587**
Extraordinary result	**-203**	**-72**

Exceptional income and expenses take into account elements which are not linked to the current activity of the company.

As of June 30th, 2021, other exceptional charges mainly consisted of exceptional advisory fees and fees. As of June 30th, 2020, the income and expenses for previous years mainly related to the inventories of the American subsidiary, an adjustment on the assets in progress of 2019 and a product received related to the outcome of the tax audit of the French company.

4.5 Earning per share

This result per share has been determined with reference to the Avis OEC No. 27.

EARNINGS PER SHARE (€)	June 30, 2021	June 30, 2020
Net result (in K €)	-617	-12 011
Number of shares	14 582 782 342	1 715 547 283
Weighted average number of shares	11 632 874 569	1 052 432 711
Number of available share warrants (unused)	1 800 534 648	457 728 463
Number of shares which can be created	2 154 373 972	0
Earnings per share in EUR	**-0,0001**	**-0,01**
Diluted earnings per share in euros	**-0,0001**	**-0,008**

Diluted earnings per share is computed in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents.

4.6 Notes regarding affiliated companies

The related parties with which transactions are operated include the entities who dispose directly or indirectly an equity in the company.

The outstanding operations have been identified and their incidence of the Group's financial statement is by nature and by related party the following:

SCI ALLPA
SCI (property company) in which Mrs LE ROUX (CEO) & LAURITO are co-managers.
This company consents a sublease contract to Spineway for a fixed duration of 9 years for an annual rent of 76 648€ (price excluding tax) the first year.

The 1st contact amendment brought the annual rent to an amount of 79 021,64 € (price excluding tax), then from an amount of 144 432 € (price excluding tax) to 146 805,64€ (price excluding tax) for the following years.
The 2nd contract amendment brought the annual rent from 146 805,64€ (price excluding tax) to 156 000€ (price excluding tax) from the 1st of January 2014.
The 3rd contract amendment brought the annual rent from 156 000 (price excluding tax) to 158 000€ (price excluding tax) from the 1st of January 2015.

On the accounting year, the company booked an annual rent of 158 000€, price excluding taxes and rental charges in compliance with this convention.
No security deposit adjustment has been recorded.

4.7 Executives compensation

This information is not provided as it allows the situation of the executives to be known.

4.8 Average personnel (per head)

Average staff	June 30, 2021	June 30, 2020
Executives	19	22
Employees	7	13
Average staff	**26**	**35**

4.9 Financial commitments

FINANCIAL COMMITMENTS (In K €)	June 30, 2021	June 30, 2020
Commitments Given		
Financial lease liabilities		-
Surety is inventories	985	2 105
Surety business is capital	560	560
hedging instruments		-
Others		-
Commitments Given	**1 545**	**2 665**
Commitments received		
Bank credit lines allowed	0	230
Commitments received	**0**	**230**
Total financial Commitments	**1 545**	**2 895**

Financial commitments given:

The supported retirement commitment is constituted by the retirement indemnities (IFC) of the staff of the French entity, the legislation providing that indemnities are paid to employees at the time of their retirement, according to their seniority and of their salary at retirement age.

The 985 K€ of surety on inventory are hold by banks against short term promissory notes (3 months renewable).

The 560 K€ of surety on business are granted against the 500K$ loan taken out with Crédit Agricole.

Financial commitments received:

The commitments received were revised downwards; they represented all of the overdrafts authorized by Spineway's banking partners as of June 30, 2020.