



2019: a year of restructuring 2019 revenue of €5M

2019 was a particularly active year for the SPINEWAY group as it redeployed its activities in previously covered areas, completely reorganized its teams and renewed half its Executive Committee at the end of 2019. Spineway also strengthened its financial position thanks to a financing agreement with Negma Group¹ in order to ensure organic growth and finance new development projects. The Group thus generated total revenue of €5 015K for 2019.

Annual revenue	2018	2019*
<i>In thousands of euros</i>	6 515	5 015

* Unaudited figures

Increasing growth of the new Mont Blanc MIS product line

Sales of premium products represented a greater share of total revenue at 35% (compared with 29% in 2018), reflecting Spineway's strength on this market segment. Although it is not yet distributed throughout all the Group's territories, the Mont Blanc MIS (mini-invasive surgery) product line's 2019 sales were up 8% (outside the USA). This premium product line, recently approved in Japan, has high growth potential.

Spineway continues its R&D work in order to provide new implants and instruments that will expand applications for its Mont Blanc MIS products line (trauma, deformity). Likewise, promotional and training activities were carried out for the Mont-Blanc 3D+ product line during the financial year and should bear fruit in the short and medium terms.

Economic downturn in Latin America but a positive outlook for 2020

Despite its uncertain geopolitical climate, **Latin America** remains the Group's most dynamic area with revenue of €2.6M (compared with €3.4M in 2018). The 2019 financial year brought the consolidation of certain partnerships in Mexico following the strong mobilization of local teams (+14%) and in Brazil. Revenue should increase in these countries in 2020. Similarly, stabilization of the political situations in Peru and Chile should allow Spineway a return to growth in these countries where Spineway already has a history. In fact, Spineway's regulatory affairs continue to be very active in this area as it is obtaining new registrations for its products so it can deploy the Mont-Blanc MIS product line throughout the continent.

Contrasting sales in Asia after a weak performance in China

Asia generated €705K in 2019 (compared with €1 283K including India in 2018) with improved customer loyalty in Southeast Asia and revenue in China of €145K compared with €506K in 2018. This

¹ See press release dated 18 October 2019

drop in Chinese sales is due, in particular, to surplus inventory the previous year and delays in the granting of approvals for the Group's products by the Chinese administrative authorities.

In Japan, following approval of its Mont-Blanc MIS product line, the Group is currently in advanced discussions with distributors for the importing of its products. These should soon result in the signature of a partnership agreement for the territory.

Solid activity in Europe and active prospecting in the United States

Revenue from **Europe** increased 13% to reach €1 158K, its highest in the Group's history. This was achieved thanks to increased sales in France (+10%), as well as in Northern Europe.

The **Middle-Est/Africa** region generated €412K this year with efforts essentially focused on the Mont Blanc products.

Sales in the **United States** amounted to €148K, now only representing 3% of the 2019 revenue. Spineway suffered from the bankruptcy of its main distributor in 2018, the reorganization initiated by the new CEO and the referencing of products. The Group obtained a patent for the Mont-Blanc MIS product line, used for a technique that is increasingly being favored by spinal surgeons, and the US teams pursued their promotional efforts vis-à-vis US distributors and surgeons. Spineway, which invested in and undertook prospecting activities in 2019, should gradually return to growth on this high-potential territory.

Spineway continues to have a solid base for its activity in its existing territories and should be expediting the implementation of its new strategic plan in 2020 with, in particular, a new sales policy.

Next communication: 2019 annual results – 28 April 2020

SPINEWAY IS ELIGIBLE FOR THE PEA-PME (EQUITY SAVINGS PLANS FOR SMES)

Find out all about Spineway at www.spineway.com

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 90% of its revenue comes from exports. Spineway, which is eligible for investment through FCPIs (French unit trusts specializing in innovation), has received the OSEO Excellence award since 2011 and has won the Deloitte Fast 50 award (2011). Rhône Alpes INPI Patent Innovation award (2013) – INPI Talent award (2015).

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