



## 2023 annual results

- 2023 revenue of €10.5 million (+42%)
- Gross margin steady at 69%
- Net income heavily impacted by exceptional items
- Implementation in 2024 of a streamlining plan to achieve operating breakeven in the medium term<sup>1</sup>

<i>In thousands of euros</i> <i>Consolidated accounts</i>	2023	2022
<b>Revenue</b>	<b>10,519</b>	<b>7,432</b>
Cost of sales	(3,309)	(2,320)
<b>Gross margin</b> <i>% of revenue</i>	<b>7,210</b> 69%	<b>5,112</b> 69%
Net operating expenses	(11,727)	(8,322)
<i>Of which running costs</i>	(5,424)	(3,770)
<i>Of which personnel expenses</i>	(5,659)	(4,875)
<b>Operating income/(loss)</b>	<b>(4,517)</b>	<b>(3,210)</b>
Financial income/(expense)	(1,035)	184
Non-recurring income/(expenses)	(957)	(112)
<b>Net income/(loss)</b>	<b>(6,510)</b>	<b>(3,137)</b>

The Board of Directors of Spineway, meeting on February 6, 2024 under the chairmanship of Stéphane Le Roux, approved the financial statements for the year ended December 31, 2023.

Spineway recorded revenue of €10.5 million in 2023, an increase of 42% compared with 2022. This growth was driven by the strong sales performance of Distimp products and the consolidation of revenue from Spine Innovations, acquired in July 2022. Over the full year, the Group posted growth of more than 20% in each of its three main operating regions (Europe, Asia and Latin America).

<sup>1</sup> In terms of EBITDA, i.e. earnings before interest, tax, depreciation and amortization, which was negative €3.3m in the year ended December 31, 2023

## Results marked by the increase in operating expenses

Although the gross margin was steady at 69% of revenue, the increase in revenue is not reflected in the Group's results, which were impacted by increased spending on R&D, sales, marketing and practitioner training, as well as the necessary regulatory investments (MDR regulatory requirements, product export approvals, etc.), which will continue in 2024.

In addition, the increase in headcount over the year following the strengthening of Spineway management team and the integration of Spine Innovations employees, pushed personnel expenses up to €5.7 million (from €4.9 million). As a result, the operating loss for 2023 was €4.5 million.

Over the period, Spineway recorded a financial expense of €963 thousand linked to the implementation of the Negma financing contract arranged in May 2023<sup>2</sup> (commitment fee and compensation mechanism), and exceptional expenses of €957 thousand (reorganization of the Spine Innovations subsidiary and exceptional consulting fees). These items had a negative impact on the net loss, which was €6.5 million in 2023.

## Financing to secure cash flow and support the Group's developments

As mentioned in the press release of May 25, 2023, the Group has entered into an agreement for the issue and subscription of bonds convertible into shares (OCA) in a total maximum nominal amount of €10,990,000 for a duration of 24 months. As of December 31, 2023, 1,231 OCAs (excluding commitment fees) had been converted into 135,015,642 shares. As a result, Spineway's share capital at the end of December 2023 was €286,059.11, made up of 143,029,563 shares with a par value of €0.002 each. A reverse share split was completed on 4 January 2024 on the basis of 1 new share for 2,000 existing shares. Exchanges are currently underway and will end on February 26, 2024.

In addition to this financing, Spineway obtained a €1.5 million *Prêt Participatif Relance* (PPR, Participatory Stimulus Loan) at the beginning of 2023, in its capacity as an innovative company.

As announced,<sup>2</sup> the purpose of these funds is to finance the Group's operations, in particular the intensification of regulatory and clinical expenditure associated with the new MDR requirements, and to support the Group's developments.

At the end of December 2023, Spineway's cash position was €1.8 million, and its net debt was under control at €0.8 million on €19.1 million in shareholders' equity, putting gearing<sup>3</sup> at 4.2%.

## Launch of a streamlining plan

In view of the situation, the Group's management has decided to take cost-cutting measures, which will result in a tighter operating budget and the reduction of around 10 positions in the workforce. It has also been decided to postpone investments dedicated to very costly projects for which financing has not yet been secured.

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<sup>2</sup> Press release of May 25, 2023

<sup>3</sup> Ratio of net debt to equity

## Development prospects

The company is pursuing its strategic roadmap, whose main objectives are the export approval of the ranges acquired in 2021 and 2022 in order to open up new markets, commercial efforts to benefit from synergies between Spineway customers, Distimp customers and Spine Innovations customers, and the rollout of clinical data collection to maintain and obtain CE/Medical Device Regulation (MDR) certifications.

At the same time, the company plans to allocate R&D resources for the development of new generations of its Distimp Premium and Spine Innovations product lines.

These measures, combined with a robust business base and a good gross margin, should enable the Group to return to operating breakeven in the medium term and keep it on the path to the profitability needed to sustain cash requirements and roll out its strategic plan for innovation and commercial growth.

The Spineway Group is therefore confident in its prospects for revenue growth in 2024. This should enable it to finance its growth and innovation through non-dilutive resources over the medium term.

### Next events:

**February 8, 2024 – Presentation meeting (video)- [Click here to register](#)**

**March 25, 2024 – Annual General Meeting**

**April 16, 2024 – Q1 2024 revenue**

**SPINEWAY IS ELIGIBLE FOR PEA-SME (EQUITY SAVINGS PLANS FOR SMES)**

Find out all about Spineway at [www.spineway.com](http://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 more than 70% of its revenue comes from exports. ISIN: FR001400BVK2 - ALSPW**

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