

**CONSOLIDATED FINANCIAL STATEMENTS
SPINEWAY GROUP**

Period ending June 30th 2020

Consolidated balance sheet

ASSETS (K €)	Notes	June 30, 2020	December 31, 2019
Intangible assets	4.1	781	418
Tangible assets	4.2	684	898
Financial assets	4.3	4 512	4 511
fixed assets		5 976	5 828
Inventory	4.4	2 389	2 584
Accounts receivable	4.5	825	1 286
Deferred tax assets	3.6	-	-
Other accounts receivable	4.7	494	375
Cash and cash equivalent	4.8	3 258	2 575
Current assets		6 966	6 820
Account adjustments'	4.7	97	126
total assets		13 039	12 774

Liabilities (K €)	Notes	June 30, 2020	December 31, 2019
Share capital	4.9	5 148	4 546
Premiums, share premium		8 230	8 230
Reserves		5 725	-3 406
Net income		-12 011	-2 876
Total shareholder's equity - Attributable to group		7 093	
Total equity		7 093	6 493
Supplies	4.10	234	107
Loans and financial debts	4.11	3 750	4 615
Suppliers debts & related accounts	4.12	943	1 162
Fiscal & social debts	4.12	724	387
Other debts	4.12	294	10
Total debts		5 946	6 281
Accrued liabilities	4.12	-	0
total liabilities		13 039	12 774

Consolidated profit & loss

PROFIT AND LOSS (K €)	Notes	June 30, 2020	June 30, 2019
Revenue	5.1	1 426	2 623
Provision written back		396	138
Other income	5.2	133	122
Capitalised production		399	
Other operating income		928	260
Purchase of goods and changes in inventory		-540	-853
Other external expenses and purchases			
Single		-1 266	-1 379
Taxes and similar payments		-22	-46
Salaries and wages		-1 170	-1 605
Depreciation and amortizations are fixed assets		-376	-398
Depreciation and write-down allowances		-337	-141
Other expenses		-8	-38
Operating expenses		-3 719	-4 461
Operating result		-1 364	-1 578
Financial income		11	75
Financial expenses		-10 585	-105
Financial result	5.3	-10 575	-29
Current result before taxes		-11 939	-1 607
Extraordinary income		515	31
Extraordinary expenses		-587	-35
Extraordinary result	5.4	-72	-4
Corporate income tax		-	-
Consolidated result		-12 011	-1 610
Result Attributable to controlled group		-12 011	-1 610
Not Controlling result		-	-
Earnings per share (€ / share)	5.5	-0,01	-0,06
Diluted earnings per share (€ / share)	5.5	-0,0080	-0,0005

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	TOTAL EQUITY
Balance as of December 31, 2017	4 298 630	430	2 941	-422	-965	-18	-191	1 773
Net income Allocated 2017				-965	965			-
Net income					-4 124			-4 124
Share Capital increase	12 545 436	1 255	2 116					3 371
Changes in self owned shares							-30	-30
Other currency						-43		-43
Balance as of December 31, 2018	16 844 066	1 684	5 057	-1 387	-4 124	-61	-221	946
Net income Allocated 2018				-4 124	4 124			-
Net income					-2 876			-2 876
Share Capital increase	437 727 013	5 277	3 173					8 450
Reduction of capital		-2 416		2 416				-
Changes in self owned shares								-
Other currency						-26		-26
Balance as of December 31, 2019	454 571 079	4 546	8 230	-3 095	-2 876	-87	-221	6 494
Net income Allocated 2019				-2 876	2 876			-
Net income					-12 011			-12 011
Share Capital increase	1 261 521 700	12 615						12 615
Reduction of capital		-12 013		12 013				-
Changes in self owned shares								-
Other currency						-4	-	-3
Balance as of June 30, 2020	1 716 092 779	5 147	8 229	6 040	-12 011	-91	-222	7 094

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT (K €)	June 30, 2020	June 2019
Net consolidated income	-12 011	-1 610
Amortizations, depreciations and provisions	503	409
Charges without any impact on the operating income	10 561	31
Net gains losses gold is disposal of fixed assets		
Adjusted cash flow	-946	-1 170
Change in inventory	196	256
Change in trade receivables and other accounts receivable	371	90
Change in trade and other payable accounts	403	-418
Operating activities cashflow	23	-1 242
Asset expenditures	-518	-1 458
Asset disposal		0
		0
Investing activities cashflow	-518	-1 458
Increases mainly related to capital and bond loans :	2 065	4 334
<i>Share capital increase (net of capital increase costs)</i>	2 054	3 326
<i>Bond loans issues</i>	5 350	3 830
<i>Bond issues included in capital</i>	-6 610	-2 822
<i>Increase in current accounts</i>		
<i>Increase (Decrease) of advances</i>	1 270	0
Treasury instruments (MCNE & promissory notes)	-855	0
Other reimbursements	-28	0
<i>of which repayment of loans from credit institutions</i>	-14	-292
<i>COFACE third-party reimbursement</i>	-7	0
<i>Various reimbursements</i>	-8	0
Increase (decrease) in FEDER repayable advances	0	-15
Refund of Current Accounts		
Own shares		
Financing activities cash-flow	1 182	4 027
Foreing currency translation	-4	-7
Change in cash flow and cash equivalents	683	1 320
Cash at the beginning of the period	2 575	15
Cash at the end of the period	3 258	1 335

Notes to the consolidated financial statements

These consolidated financial statements of SPINEWAY group cover a 6-month period, beginning on the 01/01/2020 and ending on the 30/06/2020.

All amounts are expressed in Keuros 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 Ecully, 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 Minnetonka, Minnesota in the United States.

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 the first semester 2020

○ Turnover

The first half of this year was understandably affected by the health crisis caused by the worldwide Coronavirus pandemic, which led to the cancellation of all non-essential surgeries. During this unprecedented period, the Spineway group was fully committed to providing the best possible services to its direct clients in France and its international distribution partners. These efforts allowed the Group to keep its revenue for the second quarter at close to 30% of that of the previous year despite a very complicated international situation, resulting in half-year revenue of €1 426K as at 30 June 2020 (-46% compared with HY1 2019). Over this period, the Group's territories had varied results.

Asia posted €337K at the end of June, up 9% compared with the previous year, whereas Latin America generated €614K (-48%) as it has been particularly hard-hit by the health crisis plus some countries are also dealing with complicated geopolitical and economic situations. Europe generated €340K (-50%) over the six-month period and showed signs of recovery with revenue for the second quarter level with that of the previous year thanks to a very strong month of June outside France. The Middle East and USA posted marginal amounts of €109K and €26 K.

In connection with the particularly significant impact of the drop-in turnover in the United States, the management of this market has been taken over directly by the Spineway SA since August 2020 pending a complete reorganization of the operation of the US subsidiary in connection with obtaining new markets.

- Impact of Covid-19 on the main aggregates

Since a few weeks, the Coronavirus epidemic has affected many countries. France is concerned via the containment measures taken since mid-March, but also the US subsidiary and more generally most of the countries in which the Spineway group operates. This worldwide crisis is unprecedented. The extent and exact nature of its consequences remain unclear today.

The impact of the drop-in turnover, amplified by an export presence in countries which are very heavily affected, is slightly attenuated in terms of results by cost savings, particularly in connection with:

- The elimination of trade fairs and conferences as well as travel for salespeople and surgeons;
- The implementation from March 2020 of partial activity and load deferrals;
- The implementation of sanitary protocols at group level has generated specific expenses, such as those essential for securing sites and employees: revised signage, purchase of gel, purchase of masks and purchase of disinfectant in particular. These remain however limited.

Nevertheless, the Spineway teams are fully mobilized to ensure business continuity and adjust action plans in real time so that they can prepare for the recovery and minimize the impact of this health crisis.

Thus, as part of the government measures intended to support businesses, Spineway obtained the agreement of its banks for the granting of a State Guaranteed Loan in the amount of 1 270 000 euros, i.e. the maximum that can be granted. This loan thus strengthens the Group's cash flow and allows it to maintain its activities until the resumption of surgeries in all of its areas of operation.

In view of the drop-in turnover, the company continued its actions to rationalize inventories and seek to improve working capital.

Various potential additional impacts could affect the group in the medium term, including:

- Solvency problems of some of our customers or at least an increase in payment terms;
- Generally speaking, a decrease or delay in expected turnover compared to the 2020-2021 organic growth plan;
- Delays and difficulties in collecting clinical and regulatory data.

The continuity of operation is therefore not a question, on the basis of the elements known to date, in any way. In particular, the group can rely on its Negma funding. Spineway also studies each way to

optimize short-term cash flow requirements according to government decrees and measures published over time.

In addition, the group, concerned about the health of employees, subcontractors and suppliers, had implemented new procedures and developed home office work as much as possible during the confinement period and remains flexible depending on the evolution of the situation.

The main uncertainty in all the geographical areas where the group operates remains the risk of getting a second epidemic wave. Today, the group remains very strict in respecting the health protocol, in particular the wearing of a compulsory mask except for difficult and isolated workstations and / or when wearing a mask is inoperative.

The second uncertainty or opportunity for the Group, linked to the misdeeds of Covid-19 is the evolution of policies between States and the impact on world trade.

Finally, global macroeconomic uncertainty remains the impossibility and difficulty of properly targeting the level of resumption of activity in the coming months. We must at the same time be cautious and anticipate a more or less lasting prolongation of the market disruption, while being ready to face a brutal and violent recovery which cannot be ruled out.

- o Continuation of the financing contract with NEGMA GROUP LTD by issuing OCA with attached BSA

This financing plan was approved in October 2019 for a total potential 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.

To date Spineway has launched two subscription phases :

- 1st phase: December 2019 – March 2020 for a total amount of 5,250 M€
- . Commitment fees for a total amount of 1,450 M€ on December 24th, 2019 corresponding to 580 warrants ;
- . 1st subscription tranche on December 24th, 2019 for 800 Tranche Warrants granting rights to 800 Convertible Bonds with a par value of 2,500 euros, i.e a total amount fully converted and contributed in cash for 2 000 000 euros;
- . the second subscription tranche took place on March 31st, 2020 for 720 Tranche Warrants granting rights to 720 Convertible Bonds with a par value of 2,500 euros, i.e a total amount fully converted for 1 800 000 euros and contributed in cash up to 300 000 euros. The delta corresponding to the compensation regulations under the application of contractual clauses when the nominal value of the shares is lower than the market price.

- 2nd phase: April 2020 – September 2020 for a total amount of 6 M€

. The 1st subscription tranche took place on April 16th, 2020 for 1 120 issue warrants giving the right to 1 120 convertible bonds with a nominal value of 2 500 euros, i.e. a total converted amount of 2 800 000 euros, solely as compensation.

. The 2nd subscription tranche took place on May 22nd, 2020 for 300 issue warrants giving the right to 300 convertible bonds with a nominal value of 2 500 euros, i.e. a total amount fully converted in the subsequent period of 750 000 euros and fully contributed in cash.

. The 3rd tranche took place on September 10th for 800 warrants giving the right to 800 convertible bonds with a nominal value of 2 500 euros, for a total amount of 2 000 000 euros in bond loans, including 1 313 000 euros in cash.

The total amount of financial charges under the contractual compensation mechanism amounts to 10 561 241 euros for the first half of 2020. These financial charges did not generate any cash outflow but are the consideration for issuance of warrants and increase in capital following revaluation of receivables. In fact, the compensations can be cleared either by issuing new warrants, by increasing the capital, or by paying in cash; this last solution having been excluded by the company.

The amount of compensation breaks down as follows:

- 1,450,000 euros in commitment fees
- 6,646,024 euros in compensation
- 2,465,217 euros of revaluation of the receivable related to the capital increase of May 19th, 2020.

- o Operations on capital

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from January to April 2020 resulted in 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 19th, 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 euro each.

By deliberations of the Combined General Meeting of May 19th, 2020, the share capital was reduced by 12 012 649.45 euros, to reduce it from 17 160 927.79 euros to 5 148 278.24 euros, by reducing the par value of the shares of 0.01 euro to 0.003 euro.

The capital at June 30th, 2020 was made up of 1 716 092 779 shares of 0.003 euro each.

In the subsequent period, the capital following the conversion of OCA went from 5 148 278.24 euros to 7 898 278.34 euros.

By deliberations of the Extraordinary General Meeting of September 16th, 2020, the share capital was reduced by 7 898 278.34 euros, to bring it to 263 275.94 euros, by reducing the nominal value of the shares from 0.003 euros to 0.001 euros per charge against future losses.

- Participation IMS

Negotiations following the difficulty of implementing the operational side associated with the merger with IMS are continuing with Strategos group.

- 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.

- Inventory depreciation

The company reviewed and readjusted its inventory values as of June 30th, 2020 (the end of expiration of certain batches of products) and in particular:

- 100% depreciation of expired, obsolete, discarded products, unusable products (CE marking 0434) and whose expiration is less than 1 year
- 50% depreciation of lapses between 1 and 2 years
- Depreciation between 95% and 100% of slow-moving stocks
- 91% depreciation of single products.

For the first semester 2020, the amount of depreciation for inventories amounted to 914 K€.

1.3 Significant events from 2019

- Implementation of a social economic plan

The company has carried out a structural reorganization of its teams. This resulted in the establishment of a social economic plan in May 2019 and thus the dismissals of 8 employees.

- Capital increase of 1,3M euros to the benefits of a Luxembourg investment firm

On September 30th, 2019, Spineway announced the completion of a capital increase without preferential subscription rights to the benefit of Park Capital, a Luxembourg investment firm.

SPINEWAY issued 100 000 000 new shares with a par value per unit of €0,01, at the unit price of €0.01268, issue premium included, for a total amount of €1 268 000, representing 31.92% of SPINEWAY's capital before the increase on a non-diluted basis, i.e., dilution of 24%.

- Subscription of a tranche of 150 bonds convertible into new and/or existing shares (OCEANE) with attached warrants for a total par value of €1.5M as per the Additional Commitment.

In order to continue implementing the OCEANE issuance program reserved for the European High Growth Opportunities Securitization Fund, a fund managed by European High Growth Opportunities Manco SA (the “Investor”), a Luxembourg asset management company, SPINEWAY (the “Company”) announces that today it bought back the 600 Tranche Warrants issued pursuant to resolution no. 2 of the General Shareholders’ Meeting of 13 September 2018 for a symbolic euro, and (ii) the cancellation of said 600 Tranche Warrants.

Consequently, the Board of Directors met today and authorized the signature of an amendment to the issuance agreement (the “Issuance Agreement”) for the tranche warrants (“Tranche Warrants” or “BEOCEANE”) that, upon exercise, result in the issue of bonds convertible into new and/or existing shares (the “OCEANE”) with attached warrants (the “Warrants”) of 9 July 2018, the main changes being as follows:

The schedule and amounts of the OCEANE tranches upon exercise of the BEOCEANE set forth in the additional commitment have been amended as follows:

- 15 April 2019, exercise of the third tranche of BEOCEANE for a par value of 1,500,000 euros;
- 1 June 2019, exercise of the fourth tranche of BEOCEANE for a par value of 1,500,000 euros;
- 1 July 2019, exercise of the fifth tranche of BEOCEANE for a par value of 1,500,000 euros
- 1 August 2019, exercise of the sixth tranche of BEOCEANE for a par value of 1,500,000 euros

Moreover, a condition precedent for a request that a tranche of OCEANE be issued has been added requiring that no amount or delivery of shares be due pursuant to a conversion of OCEANE or the exercise of Warrants dating back more than two trading days;

The definition of “trading day” has been amended to exclude (i) trading sessions during which the Investor exchanges Company shares representing over 25% of volume (sale and purchase) and (ii) trading sessions during which the shares have been listed for less than 4.5 hours;

The OCEANE conversion price shall be carried out to one decimal point if the conversion price is higher than or equal to ten cents (€0.10). If the conversion price is less than ten cents (€0.10), the conversion price shall be carried out to two decimal points;

The Warrant exercise price shall be carried out to one decimal point if the conversion price is higher than or equal to ten cents (€0.10). If the conversion price is less than ten cents (€0.10), the conversion price shall be carried out to two decimal points;

A measure protecting Warrant holders has been added stating that if the Company issues new shares with a unit share price that is lower than the Warrant exercise price, the Warrant exercise price shall automatically be adjusted to match the issue price of the new shares, and such price shall be applicable immediately.

On the basis of this amendment to the Issuance Agreement executed today, the Board of Directors availed itself of resolution no. 9 of the General Shareholders’ Meeting of 4 April 2019 and proceeded

with the allocation of 600 free new Tranche Warrants to the European High Growth Opportunities Securitization Fund. The characteristics of said 600 new Tranche Warrants, as well as the OCEANE and Warrants to which they grant rights, are identical to those set forth in the Company's press release dated 10 July 2018.

Immediately following this allocation of 600 free new Tranche Warrants to the Investor, the Company announced the Investor's exercise on 15 April 2019 of one hundred fifty (150) Tranche Warrants resulting in the issue of 150 OCEANE with Warrants, representing a bond issue with a total par value of €1.5M in favor of the Investor.

1.5 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 2020 continuity of business activity is based on:

- Assumptions of receipts related to the budget of turnover,
- Maintaining the financing lines of the WCR by the banking pool. Note, a line of financial notes has been reduced for a total of 380 000 euros over the first half of 2020;
- The obtainment of loans guaranteed by the State (PGE) up to 1 270 000 euros;
- 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.

Note 2. Accounting principles and consolidation rules

2.1 Basis of preparation of the financial statements

These consolidated financial statements were approved by the board of Direction on October 26th, 2020.

2.2 Accounting standards

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

The rules and accounting standards used are in compliance with the updated 99-02 legislation.

The financial statements of the foreign consolidated companies, prepared in accordance with local accounting principles, are adjusted to bring them into compliance with the accounting policies applied by the Group.

The interim consolidated accounts have been approved by the Chairman of the Board of Directors with due respect of the principle of continuity of business activity.

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 and its 100% owned American subsidiary SPINEWAY Inc 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 6-month period beginning on the 01/01/2020 and ending on the 30/06/2020 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 Group is not affected by accounting for goodwill as all the investments in subsidiaries come from the creation of new entities.

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 and has proceeded the same way for the calculation of the turnover S2. 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 CRC n°99-02 Deferred taxes reflect temporary differences between the book value and taxable value of assets or liabilities.

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 398 580 € against 358 296 € for the second semester 2019.

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 of 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 are 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.

The inventories mainly consist of merchandize for sale.

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 main INCOTERM used is EXW (EX WORKS).

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

A substance-over form rule is applied, and in particular for the reversal of accounting entries regarding tax provisions prescribed by the Regulation 99-02, tax credits (research tax credits and innovation tax credits) are therefore presented in the « Other income » caption.

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.

2.5 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. Segment information

3.1 Turnover per geographical areas

SALES (K€)	30th June 2020		30th June 2019	
Sales of goods - France	184	13%	457	17%
Sales of goods - USA	26	2%	123	5%
Sales of goods - Abroad (except USA)	1 216	85%	2 043	78%
Chiffre d'affaires	1 426	100%	2 623	100%

3.2 Operating result per geographical areas

OPERATING INCOME (K€)	30th June 2020		30th June 2019	
ROW	-1 071	-79%	-1 190	-75%
USA	-293	-21%	-388	-25%
Résultat d'exploitation	-1 364	100%	-1 578	100%

3.3 Extraordinary result per geographical areas

EXCEPTIONNAL INCOME (K€)	30th June 2020		30th June 2019	
ROW	-65	90%	-4	100%
USA	-7	10%	0	0%
Résultat exceptionnel	-72	100%	-4	100%

Note 4. Notes on the consolidated balance sheet

4.1 Intangible assets

INTANGIBLE ASSETS GROSS (K €)	Probate fees	Software	Other intangible assets	Assets in progress & advances	Total gross
Balance as of December 31, 2018	123	120	13	-	255
Increase	-	31	-	358	390
Decrease	-	-	-	-	-
transfers	-	-	-	-	-
Balance as of December 31, 2019	123	152	13	358	645
Increase	-	-	-	380	390
Decrease	-	-	-	-	-
transfers	-	-	-	-	-
Balance as of June 30th 2020	123	152	13	738	1 025

INTANGIBLE ASSETS GROSS (K €)	Probate fees	Software	Other intangible assets	Assets in progress & advances	total gross
Balance as of December 31, 2018	-74	-108	-10	-	-193
Amortizations	-25	-7	-1		-33
Decrease					-
Balance as of December 31, 2019	-99	-115	-12	-	-226
Amortizations	-11	-7	-1		-19
Decrease					-
Balance as of June 30th 2020	-109	-122	-12	-	-244

Intangible assets NET (K €)	0	0	0	0	Net total
Balance as of December 31st 2019	24	36	1	358	419
Balance as of June 30th 2020	14	29	-	738	781

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.

4.2 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, 2018	94	4 966	415	-	5 474
Increase	3	384	15	-	402
Decrease	-	-	-	-	-
translation difference	-	-	-	-	-
Balance as of December 31, 2019	97	5 350	429	-	5 876
Increase	-	137	1	-	138
Decrease	-	-	-	-	-
translation difference	-	-	-	-	-
Balance as of June 30th 2020	97	5 487	430	-	6 014

Amortizations OF TANGIBLE ASSETS (K €)	Constructions	Instal. Techn., Mat. & Out.	Other tangible assets	Assets in progress & advances	Total Amortization
Balance as of December 31, 2018	-58	-3 790	-352	-	-4 200
Amortizations	-11	-738	-29	-	-778
Decrease	-	-	-	-	-
Balance as of December 31, 2019	-69	-4 528	-381	-	-4 978
Amortizations	-5	-335	-13	-	-352
Decrease	-	-	-	-	-
Balance as of June 30th 2020	-73	-4 863	-393	-	-5 329

Tangible assets NET (K €)	Constructions	Instal. Techn., Mat. & Out.	Other tangible assets	Assets in progress & advances	Net total
Balance as of December 31st 2019	28	821	49	-	898
Balance as of June 30th 2020	24	624	37	-	684

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

The industrial equipment includes a testing machine acquired via financial lease for an initial amount of 135 220 €. The amortization period of the equipment is 5 years. It has been fully depreciated on the 2019 financial year.

4.3 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, 2018	-	-	90	-	90
Increase	4 420	-	2	-	4 421
Decrease	-62	-	-	-	-62
Balance as of December 31, 2019	4 420	-	92	-	4 512
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
Balance as of June 30, 2020	4 420	-	92	-	4 512

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, 2018	-	-	-	-	-
Endowment					-
Balance as of December 31, 2019	-	-	-	-	-
Endowment					
Balance as of June 30, 2020	-	-	-	-	-

Financial Assets NET (K €)	Equity securities	Account receivables related to participante interests	Deposits and Guarantees	Other receivables	Net total
Balance as of Decembre 31st 2019	4 420	-	92	-	4 512
Balance as of June 30th 2020	4 420	-	92	-	4 512

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.

4.4 Stocks

Inventory (K €)	June 30, 2020	December 31, 2019
Inventory of goods	3 303	3 903
Gross amount	3 303	3 903
Depreciation and write-down	-914	-1 318
Net amount	2 389	2 584

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.

4.5 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 June 30, 2020	1 234	825	256	440	-408	825
Balance as of December 31, 2019	1 663	1 243	51	369	-377	1 286

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 2020, Spineway SA booked the receivables of two distributors as doubtful accounts for 31 578 €. The total amount of doubtful customers at June 30th, 2020 reaches 408 448 €.

4.6 Deferred tax assets

The tax loss carryforwards were of 18 M€ at the 31st of December 2019 (versus 15M€ at the 31st of December 2018) and had not been capitalized for as there is no visibility on their imputation against future revenues. The company generated a new tax deficit of € 1,6 million in the first half of 2020, since financial charges generated in relation with Negma's contract cannot be considered as deductible expenses.

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.

4.7 Other receivables

TAX CREDITS AND OTHER CURRENT ASSETS (K €)	June 30, 2020	December 31, 2019
Tax credit for research and development	90	204
Tax credit for innovation	-	6
Tax credit for employee competitiveness	193	
Tax receivables (VAT, ...)	119	120
Social receivables institution	23	5
Spineway Iberica	65	
deferred expenses		
Miscellaneous receivables	4	40
Gross value	494	375
Depreciation and write downs		
Net value	494	375

At June 30th, 2020 the research tax credit has an amount of 90 K€, it is composed of the accrual of the research tax credit to receive regarding the first semester 2020.

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

4.8 Availabilities

CASH AND CASH EQUIVALENTS (K €)	June 30, 2020	December 31, 2019
Bank accounts	3 258	2 575
Short term deposits		
Cash and cash equivalents	3 258	2 575
Outstanding bank overdrafts	-	-
Net cash	3 258	2 575

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

4.9 Share capital

See paragraph 1.2

The capital at June 30th, 2020 was made up of 1 716 092 779 shares of 0.03 euros each, ie a capital of 5 148 278.34 euros.

4.10 Provisions

PROVISIONS (K €)	Litigation	Pensions and Assimilated bonds	Other	Total
Balance as of December 31, 2018	-	82	-	82
Increase	15		37	52
Reversal		-		-
Write back of provision ot used		-28		-28
Balance as of December 31, 2019	15	54	37	107
Increase	-	43	131	174
Reversal	-10		-37	-47
Reversal of unused				-
Write back of provision ot used				
Balance as of June 30, 2020	5	97	131	234

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

	June 30, 2020	December 31, 2019
Retirement age	Between 60 and 67 years	Between 60 and 67 years
Discount rate	1,00%	1,00%
Growth rate of wages	1% (C), 1% (NC)	1% (C), 1% (NC)
Social security charges	45% (C), 35% (NC)	38% (C), 38% (NC)
Mortality table	TV 88-90	TV 88-90
Probability of presence at retirement age (before death)	Less than 30 years: 85%. From 30 to 40 years: 90% From 40 to 50 years: 97% From 50 to 60 years: 100% Over 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% Over 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 97K€ at the 30st of June 2020 versus 55K€ at the 31st of December 2019.

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 : 1% at 30th of June 2020 (1% at December 31st 2019)
- Mortality table TV 88/90
- Staff turnover low

4.11 Borrowings and financial debts

LOANS AND FINANCIAL DEBTS (K €)	December 31, 2019	Issued	Reimbursed	Other variations	June 30, 2020
Loans	718	1 270	-11		1 977
Accrued interest is loans	3	-	-2		1
Bond issue	2 010	5 350	-	-6 610	750
Overdrafts - bank	-	-	-		-
promissory notes	730	930	-1 310		350
Factoring of receivables abroad	950	1 378	-1 853		475
FEDER advance	-	-	-		-
COFACE guarantee	204	-	-7		198
Financial lease debts	-	-	-		-
Loans and financial debts	4 615	8 928	-3 183	-6 610	3 751

The maturity schedule for financial debts:

Debt statements	Gross amount	Under 1 year	Between 1 and 5 years	Over 5 years
Loans	1 977	1 524	453	
Accrued interest is loans	1	1		
Bond issue	750	750		
Overdrafts - bank	-	-		
promissory notes	350	350		
Factoring of receivables abroad	475	475		
FEDER advance	-	-	-	
COFACE guarantee	198	-	198	
Financial lease debts	-	-	-	
TOTAL	3 751	3 100	651	-

The MCNE (cross border claims mobilized) and BL (promissory notes) have both floating rates.

The details of short-term instruments used at the 06/30/2020 are as follows:

MCNE (cross border claims mobilized): 474 738 euros used on a total of 1 290 000 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 06/30/2020, the taken promissory notes cover the period from 07/01/2020 to 10/31/2020 and will be renewed at maturity.

As of June 30th, 2020, 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.

Regarding the 4 loans which cover 40% of the remaining amounts at the date of June 30th, 2020 under the borrowings contracted by Spineway (100% ie 719 K€ remaining at the date of December 31st 2019), 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, 2020, 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, 2020 the total outstanding regarding those two loans amounts is 370 K€ on a total of 1 977 K€ 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 and 7 K€ at June 30th, 2020.

4.12 Liabilities

SUPPLIERS AND OTHER DEBTS (K €)	June 30, 2020	December 31, 2019
Suppliers	943	1 162
Social institutions and contributions	702	361
Tax payable	23	26
Other payable deferred revenues	294	10
TOTAL	1 962	1 559

Maturity (K €)	June 30, 2020	December 31, 2019
Under 1 year	1 962	1 559
Over 1 year		
TOTAL	1 962	1 559

The increase in social debts is linked to the delay in payment of charges during the confinement period for an amount of 283 000 euros.

The other creditors relate to 193 000 euros in income receivable following the outcome of a tax audit on the 2011 and 2012 research tax credit.

Note 5. Notes on the consolidated profit and loss

5.1 Revenue

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

SALES (K€)	30th June 2020		30th June 2019	
Sales of goods - France	184	13%	457	17%
Sales of goods - USA	26	2%	123	5%
Sales of goods - Abroad (except USA)	1 216	85%	2 043	78%
Chiffre d'affaires	1 426	100%	2 623	100%

The consolidated turnover raised 1 426 K€ on a 6-month period after deduction of discounts and rebates versus 2 623 K€ at June 30th, 2020. The revenue generated in France is 184 K€ (which represents 13% of the total consolidated revenue), mainly with hospitals and clinics.

The generated revenue on the rest of the world represents 1 216 K€, which means 85% of the consolidated turnover at the date of June 30th, 2020. Those sales are mainly realized towards abroad distributors.

5.2 Other products

Other operating income (K €)	June 30, 2020		June 30, 2019	
Tax credit for research and development	90	68%	116	95%
Tax credit for innovation		0%	4	3%
US subvention	43	32%		
Other income	0	0%	2	2%
Other operating income	133	100%	122	100%

The other income consists of the research tax credit from the French company and a subsidy awarded to the American company in the context of COVID.

5.3 Financial income

Financial result (€ K)	June 30, 2020	June 30, 2019
Financial income	11	75
Financial expenses	-10 567	-91
Loans interests	-18	-12
Financial result	-10 574	-28

The financial result is mainly composed of financial charges under the contractual compensation mechanism, ie € 10,561,241 for the first half of 2020. (See 1.2).

It also includes exchange gains and losses, interest on bank loans, provisions and reversals of provisions.

5.4 Extraordinary income

EXTRAORDINARY RESULT (K €)	June 30, 2020	June 30, 2019
Income from previous years	505	31
Provision for Risks and costs written back	10	0
Extraordinary income	515	31
Expenses from previous years	-477	-3
Provision for Risks and costs	-110	-25
Other extraordinary expenses	0	-7
Extraordinary expenses	-587	-35
Extraordinary result	-72	-4

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

Income from previous years mainly relates to income receivable linked to the outcome of a tax audit of the French company. Charges from previous years mainly relates to the US subsidiary inventories.

5.5 Earning per share

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

EARNINGS PER SHARE (€)	June 30, 2020	30 June 2019
Net result (in K €)	-12 011	-1 610
Number of shares	1 715 547 283	65 436 251
Weighted average number of shares	1 052 432 711	33 643 234
Number of available share warrants (unused)	457 728 463	42 244 731
Earnings per share in EUR	-0,01	-0,05
Diluted earnings per share in euros	-0,0080	-0,05

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.

5.6 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 contract 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.

5.7 Executives compensation

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

5.8 Average personnel (per head)

Average staff	June 30, 2020	December 31, 2019
Executives	22	19
Employees	13	11
Average staff	35	30

5.9 Financial commitments

FINANCIAL COMMITMENTS (In K €)	June 30, 2020	June 30, 2019
Commitments Given		
Financial lease liabilities	-	-
Surety is inventories	2 105	1 945
Surety business is capital	560	560
hedging instruments	-	-
Others	-	-
Commitments Given	2 665	2 505
Commitments received		
Bank credit lines allowed	230	230
Commitments received	230	230
Total financial Commitments	2 895	2 735

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 2 105 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 230 K€ represent the total of the bank overdrafts authorized by Spineway banking partners. It is not used at the date of June 30th, 2020.