

**FINANCIAL STATEMENTS**

**Ended December 31<sup>st</sup>, 2024**

**SA SPINEWAY**

7 allée Moulin Berger

69130 Ecully

France

**NOTES ON THE FINANCIAL STATEMENTS**

**ASSETS**

Statement in euros		31/12/2024			31/12/2023
		Gross	Depreciation and provisions	Net	Net
<i>Suscribed capital uncalled (1)</i>					
FIXED ASSETS	<b>INTANGIBLE FIXED ASSETS</b>				
	Establishments costs				
	Research and development costs	1 237 677	625 079	612 598	739 989
	Concessions, patents, right and similar assets	240 071	180 200	59 871	8 814
	Goodwill (1)				
	Other intangible fixed assets	1 707 439	12 500	1 694 939	1 677 465
	Prepayments				
	<b>TANGIBLE FIXED ASSETS</b>				
	Land				
	Constructions	239 726	122 633	117 093	105 101
	Technical installations, machinery and equipments	2 453 901	2 247 582	206 319	233 565
	Other tangible fixed assets	492 145	456 537	35 607	43 097
	Tangible fixes assets in progress				
	Prepayments				
	<b>FINANCIAL FIXED ASSETS (2)</b>				
Participating interests					
Portfolio long term investment securities					
Debts receivable related to participating interests	11 546 705	468 779	11 077 926	10 579 976	
Other long-term investment securities	13 876 167	13 876 167		7 787 830	
Loans					
Other financial fixed assets	40 051	0	40 051	43 058	
<b>TOTAL</b>	<b>31 833 881</b>	<b>17 989 477</b>	<b>13 844 404</b>	<b>21 218 896</b>	
CURRENT ASSETS	<b>STOCK AND WORK IN PROGRESS</b>				
	Raw materials and other consumables	19 464		19 464	83 074
	Work in progress (goods)				
	Work in progress (services)				
	Intermediate and finished products				
	Goods	1 651 890	594 429	1 057 461	1 098 776
	<b>Advances and prepayments on orders</b>	274 316		274 316	
	<b>RECEIVABLES (3)</b>				
	Trade receivable	6 257 537	40 945	6 216 592	5 664 730
	Other debts receivable	388 812		288 812	269 750
Subscribed capital - called but not paid					
<b>MARKETABLE SECURITIES</b>					
<b>CASH AND CASH EQUIVALENT</b>	3 193 793		3 193 793	946 781	
Deferred charges	149 684		149 681	117 675	
<b>TOTAL</b>	<b>11 835 496</b>	<b>635 374</b>	<b>11 200 122</b>	<b>8 180 786</b>	
ACCOUNT ADJUSTEMENT	Loans redemption premiums				225 000
	Bond redemption premiums				
	Realisable exchnage losses				17
	<b>TOTAL ASSETS</b>	<b>43 669 377</b>	<b>18 624 851</b>	<b>25 044 526</b>	<b>29 624 699</b>

(1) Of which lease premium

(2) Of which due within one year

(3) Of which due after more than one year

**LIABILITIES**

		31/12/2024	31/12/2023
Shareholder's equity	Capital stock	57 585	286 059
	Premium on shares issued, mergers, contributions	29 403 241	27 029 864
	Revaluation reserve		
	<b>RESERVES</b>		
	Legal reserves	33 955	33 955
	Statutory or contractual reserves		
	Regulated reserves	4 150 560	
	Other reserves		
	Retained earnings		
	Accumulated profit / loss		
	<b>Net profit / loss</b>		
	Investment grants	-13 174 203	- 2 986 993
Regulated provisions			
<b>TOTAL EQUITIES</b>	<b>20 471 138</b>	<b>24 362 885</b>	
Other Equities	Proceeds from issues of participating securities		
	Conditional advance		- 10 094
	<b>TOTAL OTHER EQUITIES</b>		<b>- 10 094</b>
Provisions	Provisions for liabilities	3 537	3 891
	Provisions for charges		
	<b>TOTAL PROVISIONS</b>	<b>3 537</b>	<b>3 891</b>
DEBTS PAYABLE	<b>FINANCIAL DEBTS</b>		
	Convertible bond loans		
	Other bond debts payable	137 500	490 000
	Loans and debts payable to credit institutions (2)	1 626 903	2 040 008
	Loans and sundry financial debts payable	10 433	10 590
	Payments on accounts received on orders in progress		
	<b>TRADE DEBTS PAYABLE</b>		
	Suppliers and related accounts	1 020 663	1 339 370
	Tax and social debts payable	1 101 865	1 090 538
	<b>MISCELLANEOUS DEBTS</b>		
	Creditors for fixed assets and related accounts	- 90	- 90
Other debts payable	353 102	240 393	
Deferred income (1)		- 19 214	
<b>TOTAL DEBTS PAYABLE</b>	<b>4 250 377</b>	<b>5 191 595</b>	
Realisable exchange gains	319 474	76 422	
<b>TOTAL LIABILITIES</b>	<b>25 044 526</b>	<b>29 624 699</b>	
Net profits / loss (cents)	-13 174 202	- 2 986 993	
(1) Of which due within one year	2 750 377	3 567 207	
(2) Of which current bank advances and credit balances towards bank	2 319	2 787	

**INCOME STATEMENT 1/2****Statement in euros**

		<b>31/12/2024</b>	<b>31/12/2023</b>
<b>OPERATION INCOME</b>	Sales of goods	4 405 329	4 171 863
	Production sales (goods)		
	Production sales (services)	3 265 903	3 396 629
	<b>Net turnover income</b>	<b>7 671 232</b>	<b>7 568 492</b>
	Inventoried products		
	Production capitalized	201 000	668 321
	Operation grants	-	-
	Provisions and depr written back and charges transferred	452 439	441 025
	Other income	6 351	3 313
	<b>TOTAL OPERATING INCOME</b>		<b>8 331 021</b>
<b>OPERATING CHARGES</b>	Purchase of goods	1 165 398	1 033 200
	Change in inventory	69 013	429 664
	Purchase of raw material and other consumables	165 677	166 484
	Change in inventory	63 610	57 266
	Other purchases and external charges	2 527 121	3 793 759
	Taxes and similar payments	122 903	146 216
	Gross wages and perquisites	2 743 036	2 938 432
	Social charges	1 155 745	1 176 608
	on operating charges to allocate	744 150	773 555
	Other Charges	44 108	6 378
<b>TOTAL OPERATION CHARGES</b>		<b>8 800 760</b>	<b>10 407 030</b>
<b>OPERATIONG RESULT</b>		<b>- 469 739</b>	<b>-1 725 880</b>

**INCOME STATEMENT 2/2**

		31/12/2024	31/12/2023
<b>OPERATIONG RESULT</b>		<b>-469 739</b>	<b>-1 725 880</b>
<b>Opera-activities</b>	Allocated income or transferred loss		
	Appropriate loss or transferred income		
<b>Income financial</b>	From investments in affiliates (3)		
	Other short-term investments and titles (3)		
	Other interests and similar income (3)	130 656	122 983
	Provisions and depreciations written back and charges transferred	210	
	Realized exchange gains	1 679	4 265
	Net income on realized short term investments		
<b>TOTAL FINANCIAL INCOME</b>		<b>132 546</b>	<b>127 248</b>
<b>Charges financial</b>	Provisions, depreciations, amortizations		
	Interests and similar charges (4)	2 452 597	1 026 913
	Realized exchange losses	6 218	11 475
	Net charges on realized short term investments		
<b>TOTAL FINANCIAL CHARGES</b>		<b>2 458 815</b>	<b>1 038 388</b>
<b>FINANCIAL RESULT</b>		<b>- 2 326 269</b>	<b>-911 140</b>
<b>CURRENT RESULT BEFORE TAXES</b>		<b>- 2796 008</b>	<b>- 2 637 019</b>
<b>Income extraordinary</b>	Total of extraordinary income		340 640
	Total of extraordinary charges	10 465 887	860 925
<b>EXTRAORDINARY RESULT</b>		<b>-10 465 887</b>	<b>-520 285</b>
Employee participation			
Corporate income tax		-87 693	- 170 311
<b>TOTAL INCOME</b>		<b>8 463 567</b>	<b>9 149 039</b>
<b>TOTAL CHARGES</b>		<b>21 637 770</b>	<b>12 136 031</b>
<b>NET PROFIT / LOSS</b>		<b>- 13 174 203</b>	<b>- 2 986 993</b>

## **Rules and accounting methods**

Company name : SPINEWAY SA

Appendix to the balance sheet before distribution for the year ended 31/12/2024, which totaled 25,044,526 euros and the income statement for the year showed a loss of 13,174,203 euros. The Board of Directors approved the financial statements on 24 March 2025.

The financial year runs for 12 months, from 01/01/2024 to 31/12/2024.

The notes and tables below form an integral part of the financial statements.

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

### **General rules and principles**

The financial statements for the year ended 31/12/2024 have been prepared and presented in accordance with ANC regulation 2014-03 and ANC regulations 2015-06 and 2016-07.

The accounting policies have been applied with due regard to the principle of prudence, in accordance with the following basic assumptions:

#### **- going concern**

Spineway's business generates significant working capital requirements due to delays in the collection of receivables from customers, healthcare institutions in France and distributors outside France, and a high level of inventories required to ensure the availability of implant ranges.

The going concern assumption for 2025 is therefore based on :

- ✓ the closing cash position of 3 M€,
- ✓ the cash budget set out in the Company's annual budget,
- ✓ the Company's ability to raise additional financing if required.

The Company applies ANC regulation no. 2015-05 on forward financial instruments and hedging transactions.

#### **- consistency of accounting methods from one financial year to the next**

#### **- independence of financial years.**

In accordance with the general rules governing the preparation and presentation of annual financial statements.

The basic method used for valuing items recorded in the accounts is the historical cost method.

Only material information is disclosed. Unless otherwise stated, amounts are expressed in euros.

**Tangible and intangible fixed assets**

Tangible and intangible fixed assets are valued at acquisition cost in the case of assets acquired for valuable consideration, at production costs in the case of assets produced by the company, and at market value in the case of assets acquired free of charge or in exchange.

Depreciation is calculated on a straight-line basis over the expected useful life of the asset.

- \* Development costs: 3 to 5 years
- \* Registration costs: 5 years
- \* Concessions, software: 1 to 2 years
- \* Management software: 1 to 3 years
- \* Other intangible assets: 10 years (patents)
- \* Test equipment: 1 to 2 years
- \* Industrial equipment and tools: 3 to 7 years, including instrument kits made available to customers
- \* Demonstration equipment: 5 years
- \* General installations, fixtures and fittings: 3 to 10 years
- \* Office equipment: 3 to 10 years
- \* Computer equipment: 3 years
- \* Furniture: 3 to 10 years

The depreciation period used for simplicity is the useful life for assets that cannot be broken down at the outset.

Approval costs are capitalized when they relate to the acquisition of existing approval files held by third parties.

**Financial assets**

Financial assets are valued at acquisition cost.

Long-term investments are written down, where appropriate, to their net realizable value at the balance sheet date, if this is lower than their net book value.

**Inventories**

Inventories are valued at acquisition cost.

The acquisition cost of inventories comprises the purchase price, customs duties and other taxes, excluding taxes subsequently recoverable by the entity from the tax authorities, and transport, handling and other costs directly attributable to the cost of raw materials, merchandise, work in progress and finished goods. Trade discounts, rebates, cash discounts and similar items are deducted to determine acquisition costs.

Where appropriate, inventories are written down to their net realizable value at the balance sheet date, if this is lower than their net book value.



Inventories consist mainly of goods for sale, except for a limited stock of raw materials purchased by the company on behalf of its subcontractors for regulatory purposes.

### **Receivables**

Receivables are valued at their face value less, where appropriate, a provision for impairment to bring them to their estimated net realizable value.

Provisions for impairment of trade receivables are determined on the basis of:

- The risks identified for customers in disputes, in legal settlement and in compulsory liquidation (recognized as an impairment).
- A case-by-case analysis of the situation of each customer, coupled with the situation of the countries concerned.

Generally, trade receivables between 4 and 6 months are written down by 50% and those over 6 months are written down by 100%.

At 31 December 2024, net trade receivables amounted to €6,214,700.

Total doubtful receivables at 31 December 2024 amounted to €40,944, fully impaired.

Exceptional expenses mainly comprise the 100% impairment of receivables relating to the Spine Innovations and Distimp equity interests, i.e. €9,713,881.

### **Debts**

Medium and long-term loans are at fixed rates and were taken out in euros, except for a \$500k loan used to capitalize the US subsidiary. The loan was fully repaid in 2024.

At 31 December 2024, Spineway had 3 bank loans outstanding, including 2 PGEs taken out with partner banks in the context of COVID-19.

The company also took out a new €1.5m loan in 2023. It bears interest at an annual rate of 5%.

At the end of the financial year, Spineway also recognized a bond loan of €138k.

### **Statutory auditor fees**

The statutory auditors' fees for certification of the financial statements amounted to €43,090.

### **Extraordinary income and expenses**

Exceptional income and expenses include items that do not relate to the company's ordinary activities.

At 31 December 2024, exceptional items included €193k in compensation for the austerity plan.

Exceptional expenses also include exceptional consultancy costs and fees of €123k.

### **Financial result**

Net financial income includes interest on bank loans, provisions and reversals of provisions.

**Foreign currency transactions**

When an asset is acquired in a foreign currency, the exchange rate used is the rate prevailing on the date of acquisition or, where applicable, the rate of the hedge if the hedge was taken prior to the transaction. Hedging costs are also included in the acquisition cost.

Payables, receivables and cash denominated in foreign currencies are stated in the balance sheet at the year-end exchange rate. The difference arising from discounting foreign currency payables and receivables at the year-end exchange rate is recorded in the balance sheet as a translation adjustment.

Unrealized foreign exchange losses that have not been offset are provided in full accordance with regulatory requirements.

**Pension liability**

The retirement commitment consists of end-of-career indemnities (IFC) for employees of the French entity, legislation providing for indemnities to be paid to employees on retirement, based on their length of service and salary at retirement age.

Commitments at the balance sheet date are calculated on the basis of employees' salaries at retirement age and on the basis of each employee's length of service at the balance sheet date compared with their length of service at retirement age.

The assumptions used to calculate the commitments are as follows:

- Discount rate: 3.38% at 31 December 2024 (compared with 3.17% at 31 December 2023);
- INSEE 2016-2020 mortality table;
- Average staff turnover rate.

Following the pension reform applicable from 1 September 2023, the legal retirement age has been raised from 62 to 64.

	December 31, 2023	December 31, 2023
Retirement age	64 years – CEO 67 years old	64 years – CEO 67 years old
Discount rate	3.17	3.38
Wages growth rate	0%	0%
Rate of social security	44% (C), 22% (E)	44% (C), 28% (E)
Mortality table	INSEE 2016-2018	INSEE 2016-2020

The Group does not expect any significant change in its pension commitments over the next few years.

**Research and development costs**

Costs are capitalized only if the projects initiated meet the following criteria:

- The project or process is clearly defined, and the related costs are reliably measured and clearly identified,
- The 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, financial and other resources are available to complete the project.

Since the second half of 2019, the company has met all the criteria for capitalizing development projects.

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

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

Development expenditure for the year gives rise to the capitalization of development costs under intangible assets in progress in the amount of €200,999 for 2024, compared with €668,320 for 2023.

When costs are capitalized, they are amortized on a straight-line basis.

In 2024, 86,832 euros of R&D project costs were capitalized, and are being amortized on a straight-line basis over 5 years. (184,242 euros in 2023)

When there is an indication that an asset may be impaired, and at each year-end, development projects recorded as assets on the balance sheet are analyzed to ensure that each project still meets the criteria for capitalization. Where necessary, an impairment loss is recognized.

In 2024, €96,693 was exceptionally depreciated and removed from fixed assets following the termination of projects.

At 31/12/2024, total capitalized R& project costs amounted to €1,110,074, of which €501,592 had been amortized.

It should be noted that, in accordance with the relevant French rules, the existence on the assets side of the balance sheet of development costs that have not yet been amortized and that exceed the amount of free reserves precludes distribution.

Research and development costs give rise to a research tax credit which is recognized at the end of the financial year in which the expenditure is incurred.

## **Revenue**

For direct sales to hospitals (mainly in France), sales are recognized when ownership of the goods is transferred to the customer. In most cases, the customer (hospital or clinic) declares to the company the items consumed under consignment or loan stocks. They are then invoiced for the products consumed. Sales are recognized at the time of invoicing.

Sales by foreign distributors are recorded in accordance with INCOTERM rules. An adjustment is calculated, if necessary, to take account of the specific conditions of transfer of ownership defined in the orders or contractual agreements. The INCOTERM generally used is EXW (EX-WORKS).

Sales correspond to invoicing after deduction of trade discounts or rebates. Transport costs are also included in sales.

Lastly, sales also include ancillary revenues, which correspond mainly to rebilling's directly related to ordinary activities, mainly rebilling's of congress or trade fair expenses when these are paid by the company on behalf of its distributors or services performed on behalf of SPW Inc are rebilled to them.

## **Commitments**

Spineway has undertaken to provide Spine Innovations with all the financial resources needed to maintain its business over the next 18 months.

## **Significant events of the period**

- Sales were €7.7m, compared with €7.6m in 2023

This stagnation is explained by the strategy of migrating to the Premium ranges of the Distimp subsidiary and by the desire to rationalise the ranges marketed at Group level.

Re-invoicing to subsidiaries, for which the parent company provides all support functions and carries out a significant proportion of operational tasks (notably sales, scientific and R&D), amounted to €3.3m over the year.

- Effective date of the Spineway share consolidation

## **Share consolidation**

Following a decision by the Company's shareholders at the Extraordinary General Meeting held on 10 November 2023, on 27 February 2024 Spineway announced the completion of its share consolidation by exchanging 1 new share with a par value of 4.00 euros for 2,000 existing shares with a par value of 0.002 euros.

As at 27 February 2024, Spineway's share capital comprised 832,962 shares with a par value of €4.00 each.

## **Increase in share capital**

Following conversions of Negma Group Ltd bonds between 22 January 2024 and 9 February 2024, the Company's Board of Directors, meeting on 29 February 2024, recorded the creation of 1,191,228,073 new ordinary shares and a corresponding increase in share capital of a nominal amount of €2,382,456.15.

## **Share capital reduction**

Following the share consolidation, the Company's Board of Directors decided on 29 February 2024 to reduce the share capital by reducing the par value of the Company's shares. Following this operation, the Company's share capital is still made up of 832,962 ordinary shares, i.e. the number of shares making up the share capital following the aforementioned reverse stock-split, effective since 27 February 2024.

## **Nominal value reduction**

From 14 October to 4 December 2024, 496 convertible bonds were converted into 11,818,354 shares, representing a capital increase of €531,826.04. On 4 December, the share capital was increased from 364,192.29 euros to 896,018.33 euros.

On 4 December 2024, Spineway's Board of Directors, acting on a delegation of authority granted by the Combined General Meeting of 25 March 2024, decided to reduce the share capital due to losses by reducing the par value of its shares. The par value of the Company's shares is thus reduced from €0.045 to €0.002 and the share capital is thus reduced by €856,195.29, bringing the share capital from €896,018.33 to €39,823.04. Following this operation, the Company's share capital remains made up of 19,911,518 ordinary shares.

- o Continuation of the €10.99m bond financing agreement with bonds convertible into shares

On 24 May 2023, the Company entered into an agreement for the issue and subscription of bonds convertible into shares (OCAs) for a total maximum nominal amount of ten million nine hundred and ninety thousand euros (€10,990,000) and a term of 24 months.

Details of the financing are given in the appendix to the press release of 25 May 2023 and are also available on the Company's website.

From 1 January to 3 January 2024, 14 convertible bonds were converted into 11,666,666 shares, resulting in a capital increase of €23,333.33.

From 4 January to 25 January 2025, 170 convertible bonds were converted into 320,000,000 shares, representing a capital increase of 640,000 euros.

From 26 January to 9 February 2024, 452 convertible bonds were converted into 1,191,228,073 shares, representing a capital increase of €2,382,456.15.

From 1 March to 26 June 2024, 1,052 convertible bonds were converted into 2,630,515 shares, representing a capital increase of €2,382,456.15.

From 28 June to 11 October 2024, 670 convertible bonds were converted into 4,629,679 shares, representing a capital increase of 208,335.64 euros.

From 14 October to 4 December 2024, 496 convertible bonds were converted into 11,818,354 shares, representing a capital increase of €531,826.04.

Between 5 and 31 December 2024, 272 convertible bonds were converted into 8,880,766 shares, representing a capital increase of €17,761.53.

At 31 December 2024, the share capital stood at 57,584.57 euros, made up of 28,792,276 shares with a par value of 0.002 euros each.

- o Austerity plan

At its meeting on 4 January 2024, the Board of Directors agreed to implement an austerity plan to enable the Group to return to profitability as quickly as possible, which is essential if it is to meet its cash requirements and deploy its strategic plan for innovation and penetration of new markets. This austerity plan is accompanied by various measures, including a plan to cut operating costs and a social plan to reduce the workforce by more than 11% over the 1st quarter of 2024. The costs of 193 K€ associated with this plan are recorded under exceptional expenses.

- o IMS participation

The company initiated proceedings in the United States for recognition of the decision of the Geneva arbitration tribunal, as IMS is based in Delaware. As IMS did not respond to the petition, Spineway continued to take steps in the US to put IMS in default, which is a prerequisite for any recovery action.

In order to enforce the decision, the award must be recognized by the judicial authorities of the State of Delaware, where Strategos is headquartered. The award was recognized at first instance, but Strategos lodged an appeal with the following court: United States District Court for the District of Delaware. Oral arguments on the petition were held on 30 November 2023. The decision of the United States District Court for the District of Delaware handed down on 01 March 2024 was unfavorable to Spineway, which has appealed.

To date, there is no indication that the value of the IMS shares has been impaired.

**Significant post balance-sheet events**

In the first half of the year, the company will waive current accounts to settle the liabilities of subsidiaries.

In a ruling handed down on 19 March 2025, the United States Court of Appeals for the Third Circuit (Delaware) upheld the lower court's decision, dismissing Spineway's application to enforce the Geneva arbitration award, which had upheld Spineway's claim on the merits.

In 2019, the Group acquired a stake in Integral Medical Solutions (IMS), a company owned by Strategos. As Strategos failed to implement its operating plan, Spineway initiated proceedings before the Geneva arbitration tribunal, which handed down an award on 20 January 2022 in favor of Spineway, ordering Strategos to repay the full purchase price of the shares, i.e. €4,160k, plus interest, and to reimburse the arbitration costs incurred.

As Strategos never responded to Spineway's requests for settlement, Spineway initiated the procedure for recognition of the decision of the Geneva arbitration tribunal in the United States, which is a prerequisite for any recovery action. In order to enforce the decision, the award must be recognized by the judicial authorities of the State of Delaware, where the parent company, Strategos, is headquartered. In this context, Spineway applied to the United States District Court for the District of Delaware for recognition of the arbitration award, which rejected the application to confirm the award in an order dated 1 March 2024. Following this ruling, Spineway appealed to the Delaware Court of Appeals, which has now upheld the lower court's decision.

Determined to have its rights recognized, the Spineway group is studying alternative legal avenues to enforce the Geneva arbitration award, which is favorable to it on the merits.

In any event, this decision, which is not final, in no way affects the substance of the claim, its amount or the arbitration award and its enforceability.

## Fixed assets

Statement in euros		Assets Value Opening	Financial year fixed assets movements				Assets Values Closing 31/12/2024
			Increase		Decrease		
			Re-evaluations	Additions	Reclassifications	Disposals	
Intangible assets	Establishment fees	1 150 845		86 832			1 237 677
	Other intangible fixed assets	1 866 535		264 501	86 832	96 693	1 947 510
	<b>Total Intangible fixed assets</b>	<b>3 017 379</b>	<b>0</b>	<b>351 333</b>	<b>86 832</b>	<b>96 693</b>	<b>3 185 187</b>

Tangible assets	Land						
	Buildings - owned land / installations						
	Buildings, Installations and fitting	214 452		25 275			239 726
	Technical installations, machinery and equipment	2 353 211		100 689			2 453 901
	Other installations and equipment	138 649					138 649
	Returnable containers and other packaging						
	Office equipment	339 466		14 029			353 495
	Construction work in progress						
	Advance payments						
<b>Total tangible assets</b>	<b>3 045 779</b>	<b>0</b>	<b>139 992</b>	<b>0</b>	<b>0</b>	<b>3 185 771</b>	

Financial assets	Investments in associates (equity method)						
	Other affiliated investments	22 659 693		2 763 178			25 422 872
	Other investments						
	Loans and other financial assets	43 058				3 008	40 051
	<b>Total financial assets</b>	<b>22 702 752</b>	<b>0</b>	<b>2 763 178</b>	<b>0</b>	<b>3 008</b>	<b>25 462 923</b>

<b>Total</b>	<b>28 765 910</b>	<b>0</b>	<b>3 254 504</b>	<b>86 832</b>	<b>99 701</b>	<b>31 833 881</b>
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### Intangible fixed assets

Intangible fixed assets comprise :

- Patents acquired for a cumulative total of €12,500
- Acquisition of licence rights for €127,603
- Software for a total of €92,228
- Management software for a total of €147,843
- Research and development costs for a total of €1,110,074
- Intangible assets in progress for a total of €1,694,939.

Intangible assets in progress correspond to R&D costs capitalized on projects that have not been finalized.

### **Tangible fixed assets**

At 31 December, the company had capitalized €139,992 in property, plant and equipment, including €100,689 in technical installations, equipment and industrial tools.

The breakdown is as follows :

- €50,665 for instrument kits placed with customers.
- 18518 € for test equipment
- 29 940 € for industrial tools
- 1 566 € for demonstration equipment.

Maintenance and repair costs are expensed as incurred.

### **Financial assets**

At 31 December, almost all of the increase in impairment related to equity interests and related receivables (US subsidiary). This impairment is recognized as an exceptional item.

As Integral Medical Solutions (IMS) had not implemented the operating plan envisaged when it acquired its stake in the Spineway Group, the latter initiated proceedings before the Geneva arbitration tribunal, which handed down an award on 20 January 2022 in favor of Spineway, ordering it to pay the full purchase price of the shares, i.e. €4,160k plus interest, and to reimburse the arbitration costs incurred. IMS has never responded to the various ongoing proceedings, which are therefore continuing (see financial liabilities).



## Depreciation

	Statement in euros	Depreciation Opening	Financial year depreciation movements		Depreciation Closing 31/12/2024
			Increase	Decrease	
<b>INTANGIBLE ASSETS</b>	Establishment costs	410 856	310 916	96 693	625 079
	Other intangible assets	180 256	12 444		192 700
	<b>TOTAL INTANGIBLE ASSETS</b>	<b>591 112</b>	<b>323 361</b>	<b>96 693</b>	<b>817 779</b>
<b>TANGIBLE ASSETS</b>	Land				
	Building - owned land				
	Leasehold land				
	Installations	109 351	13 282		122 633
	Technical installations, machinery and equipment	2 119 646	127 936		2 247 582
	Other installations and equipment	131 862	2 534		134 396
	Transport equipment				
	Office equipment	303 156	18 985		322 141
Returnable containers and packaging					
<b>TOTAL TANGIBLE ASSETS</b>	<b>2 664 015</b>	<b>162 737</b>	<b>0</b>	<b>2 826 752</b>	
<b>TOTAL</b>		<b>3 255 127</b>	<b>486 097</b>	<b>96 693</b>	<b>3 644 531</b>

	Movement distribution for degressive depreciation scheme						Net Variations
	Increase			Decrease			
	Differential time and other	Degressif method	Fiscal de p. Extraordinary	Differential time and other	Degressif method	Fiscal de p. Extraordinary	
Establishment cost							
Other intangible assets							
<b>TOTAL INTANGIBLE ASSETS</b>							
Land							
Building - owned land							
Leasehold land							
Installations							
Technical installations, machinery and equipment							
Other installations and equipment							
Transport equipment							
Office equipment							
Returnable containers and packaging							
<b>TOTAL TANGIBLE ASSETS</b>							
Cost of investment in affiliates							
<b>TOTAL</b>							
<b>TOTAL UNDISTRIBUTED MOVEMENTS</b>							

**Financial assets situation**

The acquisition agreement for Distimp, acquired at the end of June 2021, stipulates that the acquisition price is subject to earn-out clauses.

These may lead to earn-outs payable in 2022, 2023 and 2024 depending on actual sales, gross margin, working capital requirements and specific business expenses (regulatory costs, loans of instrument kits) recorded at the end of June. An additional amount of €498k was recognized in respect of 2024, of which €132k was paid during the year.

Financial assets are not depreciated.

## Cash flow statement

### Statement in K euros

	12/31/2024	12/31/2023
<b>Operating activities</b>		
<b>Self financing cash flow</b>	<b>-3 137</b>	<b>-2 622</b>
Net result	-3 461	-2 987
Allowances and reversals of depreciation allowances	324	365
Charges without any impact on cash	0	0
Net book value of fixed assets transferred or out of order	0	0
<b>Change in working capital requirements</b>	<b>-409</b>	<b>-2 850</b>
Inventory variations	133	372
Receivables variations	-514	-3 612
Other debts and receivables variations	608	71
Payables variations	-635	319
<b>Operating activities cash flow (A)</b>	<b>-3 545</b>	<b>-5 472</b>
<b>Investing activities</b>		
Tangible and intangible asset expenditures	-308	-563
Tangible and intangible asset disposals	0	0
Financial asset expenditures	-2 420	-1 318
Financial asset disposals	0	0
<b>Investing activities cash flow (B)</b>	<b>- 2 728</b>	<b>-1 881</b>
<b>Financing activities</b>		
Share capital increase	8 930	3 920
Bank loans	-413	920
Treasury instruments (MCNE & promissory notes)	0	-200
Other financing debts	2	0
<b>Financing activities cash flow (C)</b>	<b>8 519</b>	<b>4 640</b>
<b>Impact of variation of currency rates</b>		
<b>Change in cash flow and cash equivalents (A+B+C)</b>	<b>2 248</b>	<b>-2 713</b>
<b>Cash at the beginning of the period (D)</b>	<b>946</b>	<b>3 659</b>
<b>Cash at the end of the period (A+B+C+D)</b>	<b>3 195</b>	<b>946</b>

## Receivables and Debts

### Receivables

Statement in euros		31/12/2024	Due under 1 year	Due over 1 year
<b>RECEIVABLE</b>	Reveivables from affiliates	13 876 167		13 876 167
	Loans (1) (2)			
	Other financial assets	40 051		40 051
	Doubtful or disputed trade receivables	40 945	40945	
	Other trade receivables	6 216 592	6 216 592	
	Receivables on securities lent			
	Employees and other assimilated accounts	5 395	5 395	
	Social institutions and social security contributions			
	Income tax	89 130	89 130	
	Value added tax	142 768	142 768	
	Other tax receivables			
	Miscellaneous receivables			
	Affilites and sharholders (2)	8 479	8 479	
	Other receivable	43 040	43 040	
	Prepaid expenses	149 684	149 684	
	<b>TOTAL RECEIVABLES</b>	<b>17 784 348</b>	<b>6 130 351</b>	<b>11 653 997</b>
(1) Loans granted during period				
(1) Loans paid period				
(2) Loans granted to sharholders (persons)				

### Debts

		31/12/2024	Due under 1 year	1 to 5 years	Due over 5 years
<b>DEBTS</b>	Convertible bonds (1)				
	Other bonds (1)	137 500	137 500		
	Loans to credit institutions - less than 1 year from origin (1)	2 319	2 319		
	Loans to credit institutions - over 1 year from origin (1)	1 624 585	124 585	42 500	1 457 000
	Other loans and financial debts (1) (2)	1 038	1 038		
	Trade payables and other assimilated accounts	1 020 663	1 020 663		
	Employees and other assimilated account	430 514	430 514		
	Social institutions and social security contributions	317 169	317 169		
	tax payables	306 914	306 914		
	Other tax payables	47 268	47 268		
	Debts on assets and assimilated accounts	-90	-90		
	Affiliates and shareholders (2)	9 396	9 396		
	Other liabilities	353 102	353 102		
	Debts on securities lent				
	Unearned revenue				
	<b>TOTAL DEBITS</b>	<b>4 250 377</b>	<b>2 750 377</b>	<b>42 500</b>	<b>1 457 500</b>
(1) Loans contracted during period		7 462 500			
(1) Loans reimbursed during period		7 815 000			
(2) Loans contracted toward shareholders (persons)		9 396			

**Accrued income**

Statement in euros		31/12/2024
<b>Total accrued income</b>		<b>1 841 482</b>
<b>Other account receivables</b>		<b>1 841 482</b>
Invoices to be established	1 841 482	
<b>Other receivables</b>		<b>0</b>
<i>Outstanding debits</i>	<i>0</i>	

## Provisions

Statement in euros		Opening	Increase	Decrease		31/12/2024
				Used	Not used	
<b>REGULATED PROVISIONS</b>	Reconstitution of mines and oil fields					
	Provisions for investments					
	Provisions for price increases					
	Provisions for capital cost allowance					
	Provisions allowance for start-up loans					
	Other Provisions					
<b>REGULATED PROVISIONS</b>						
<b>PROVISIONS FOR CONTINGENT LIABILITIES</b>	Litigation					
	Warranties					
	Futures market loss					
	Penalties and fines	210				210
	Exchange loss					
	Pensions and assimilated obligations					
	Tax related					
	Investment renewal					
	Provisions for repairs and maintenance					
	Pay roll taxes					
Other Provisions	3 680	1 370	1 512		3 537	
<b>PROVISION FOR RISKS AND CHARGE</b>		<b>3 891</b>	<b>1 370</b>	<b>1 723</b>		<b>3 537</b>
<b>PROVISIONS FOR DEPRECIATION</b>	Fixed assets					
	Intangible					
	Tangible					
	Investments in associates (equity method)					
	Investments in associates	4 291 887	10 053 059			14 344 946
	Other financial assets					
Inventory and works in progress	622 127	301 910	329 608		594 429	
Trade receivables	78 196	51 466	88 718		40 945	
Other provisions						
<b>PROVISIONS FOR IMPAIRMENT</b>		<b>4 992 210</b>	<b>10 406 435</b>	<b>418 325</b>		<b>14 980 320</b>
<b>TOTAL</b>		<b>4 996 100</b>	<b>10 407 805</b>	<b>420 048</b>		<b>14 983 857</b>
Increases and reversals				354 746	419 838	
				10 053 059	210	
Investments in associates (equity method) : the depreciation amount at year end is calculated in compliance with the rules under article 39-1.5e C.G.I						

**Accrued debts**

Statement in euros

31/12/2024

<b>Total accrued debts</b>		<b>1 527 088</b>
Loans and other debts to credit institutions		<b>2 319</b>
Accrued interest payable	2 319	
<b>Trade payable and other assimilated accounts</b>		<b>551 377</b>
Suppliers - Invoices outstanding	551 377	
<b>Social and fiscal debts</b>		<b>640 241</b>
Accrued charges payable for holiday pay	187 254	
Other accrued charges payable	235 053	
Contributions for holiday pay	8 058	
Other accrued charges payable	80 407	
Social security contributions on RTT payable	3 627	
Social security contributions charges payable	94 021	
State - Accrued charges payable	25 164	
Other creditors - charges payable	6 659	
<b>Other debts</b>		<b>333 150</b>
Customers' discounts	333 150	

## Items – affiliated companies and Investments in associates

December 31st, 2024 Statement in Euros	Affiliated companies	Companies with shared interest
<b>Fixed assets</b>		
Advance payments on assets		
Investments in affiliates	6 657 997	4 419 929
Receivable from affiliates		
Loans and other financial assets		
<b>Current assets</b>		
Advance payments given		
Trade receivables and assimilated account	3 426 514	
Other receivable	8 479	
subscribed shares called, unpaid		
<b>Liabilities</b>		
Convertible bonds		
Other bonded debts		
Loans and debts to credit institutions		
Other loan and financial debts		
Advance payments received		
Trade payables and assimilated accounts		
Debts and assets and assimilated accounts		
Other debts		
<b>Financial revenue</b>		
Investment in affiliates revenue		
Other financial revenue		
<b>Financial expenses</b>		
Financial expenses		
<b>Miscellaneous</b>		

The company Spineway owns 100% of Spineway Inc., 100% Distimp, 100% of Spine Innovations and 5% of IMS.



## Prepaid expenses

Statement in euros	Amount	31/12/2024
<b>Prepaid expenses - OPERATING</b>		<b>149 684</b>
Building rental	49 097	
Subscriptions	14 544	
Outsourcing	5 470	
Maintenance	6 399	
Insurance	13 333	
Marketing and communication	29 341	
Professional fees	8 929	
Travel expenses	8 834	
Other	13 739	
<b>Prepaid expenses - FINANCIAL</b>		
<b>Prepaid expenses - EXTRAORDINARY</b>		
<b>TOTAL</b>		<b>149 684</b>

**Changes in equity**

Statement in euros	Equity capital closing 31/12/2023	Last year's income appropriation (1)	Retroactive contributions	Changes During period (2)	Equity capital closing 31/12/2024
Share Capital	182 110			103 949	286 059
Premiums, share premiums	24 488 392			2 541 472	27 029 864
Goodwill					
Legal reserve	33 955				33 955
Statutory reserves					
Regulated reserves	970 767			-970 767	0
Other reserves					
Unappropriated retained earnings		-1 757 551		1 757 551	0
Income summary	-1 757 551	1 757 551		-2 986 993	-2 986 993
Investment grants					
Régulated provisions					
<b>Total</b>	<b>23 917 673</b>			<b>445 212</b>	<b>24 362 885</b>

Date of annual general meeting : 04/06/2025

Distributed dividends

Including dividends of last year's income

Opening share capital after last year's income appropriation 24 362 885

Opening share capital after retroactive contributions 24 362 885

Including change from structural modifications

Changes in equity during period excluding structural modifications (3 891 747)

**Extraordinary Income**

Statement in euros		31/12/2024
<b>Total extraordinary income</b>		<b>0</b>
<b>Total extraordinary expenses</b>		<b>10 465 887</b>
Provisions for extraordinary liabilities and charges		<b>20</b>
<i>Penalties and fines</i>	20	
Provisions for extraordinary capital operations		<b>316 115</b>
<i>Other exceptional expenses</i>	316 115	
Extraordinary depreciation provisions		<b>10 149 752</b>
<i>Allocation to other regulated provisions</i>	96 693	
<i>Provision for risks and charges</i>	10 053 059	
<b>Extraordinary result</b>		<b>(10 465 887)</b>

## Corporate income tax allocation

Statement in euros	Earning before after taxes - 31/12/2024	Income taxes (1)	Erning after taxes
Operating income	(2 796 008)		(2 796 008)
Extraordinary income (and equity investments)	(10 465 887)		(10 465 887)
Net income	(13 261 895)		(13 261 895)

(1) Including allowances / disallowances

### Taxe Credit

Taxe credit for research and development (CIR): 88 218 €  
 Tax credit for innovation: (525) including 1 437 euros of adjustment regarding 2023 and 912 euros regarding the 2024 financial year.

## Financial commitments

statement in euros

31/12/2024

	Financial commitments given	Financial commitments received
<b>Notes receivable discounted</b>		
<b>Sureties</b>		
<b>Financial lease commitments</b>		
<i>Financial lease liabilities</i>		
<b>Pension plan commitments</b>		
<i>Pension liabilities</i>	194 416	
	<b>194 416</b>	
<b>Other commitments</b>		
<i>Surety on inventory</i>		
<i>Surety on business capital</i>		
<i>Other commitments</i>		
Bank credit lines allowed		
<b>Total financial commitments (1)</b>	194 416	
(1) Including :		
Executive		
Subsidiaries		
Investments in affiliates		
Other affiliates companies		

### Financial commitments given :

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

In addition, within the framework of the acquisition of Distimp, price supplements (earn-out) are planned and depend on specific financial criteria (see financial fixed assets).

**Average personnel (per head)**

		31/12/2024	Internal staff	External staff
Average personnel by category	Executives		29	
	Middle level employees		4	
	Employees		6	
	Labourers		0	
	<b>Total</b>		<b>38</b>	

Average personnel including trainees : 37

Average personnel excluding trainees : 38

The average personnel in 2023 was 42 including trainees and 41 excluding trainees.

**Executives' compensation**

Statement in Euros

	31/12/2024
<b>Members compensation</b>	
- Of the administrative board	
- Of the executive board	
- Of the supervisory board	

In conformity with the protection of individual rights, this information is not always provided, as it would indirectly result in giving individual information.

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