



## Half-year revenue of €2.6M Upturn in activity during the 2<sup>nd</sup> quarter of 2019 Capital investments underway in Latin America and Africa

Spineway closed the first half of 2019 with revenue of €2.6M (-22%), which benefitted from the upturn in the Group's activity during the second quarter. In **Europe**, the Group posted half-year revenue of €687K, up 27% compared with the previous year, thanks to good momentum in Italy, Lithuania and France. In particular, the area benefitted from the partnership with the distributor France Rachis, which allowed a 23% increase in Group sales in France during the first half of 2019.

The elections at the beginning of the year and new regulations in place at the end of 2018 in India slowed the Group's sales, resulting in revenue of €386K (-27%) for the **Middle East and India**. Activity should pick up during the second half of the year, which is usually the strongest half in this geographic area.

**Latin America**, which mechanically levelled off in the first quarter pursuant to the Group's decision to shift some deliveries in order to limit its client receivables, is progressively returning to its previous level of activity and generated €715K during the second quarter (-8%), thus bringing activity for the first half of the year to €1.2M (-30%). This area continues to be a major growth zone for Spineway and will benefit from the Group's strengthened positions following the new relationship with INTEGRAL MEDICAL SOLUTIONS (IMS).

During this period, sales of the Mont-Blanc MIS product line that is focused on minimally invasive surgery increased by 26% (excluding the United States), thus confirming the Group's position on this growth market segment. These sales performances are particularly satisfying as, during the second quarter of 2019, the Group reorganized its personnel (-20%) and the effects thereof can be seen now in the second half of the year.

In the **United States**, we continue to seek US surgeons and distributors to promote the Mont-Blanc Evo and Mont-Blanc MIS product lines. The US subsidiary is confident in its development and should, in the second half of the year, see the fruit of the sales initiatives carried out early in the year.

### Investment and partnership underway in Latin America

As planned, SPINEWAY is acquiring an equity stake in IMS, which will amount to almost 7% by the end of August.<sup>1</sup> The Group intends to increase its equity stake to 52% of IMS' capital in the next three or four years, subject to obtaining the necessary financing.

This equity stake as well as the partnership and distribution agreement to be entered into in the coming months with IMS and its affiliates will, in the short term, allow Spineway to strengthen its positions in Latin America and significantly accelerate its growth in this region where the market is estimated at 150 million euros in 2019 (130 million in 2016<sup>2</sup>).

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<sup>1</sup> See press release dated 16 May 2019

<sup>2</sup> Source Global Data - Spinal Fusion Global Analysis – 2017

A development plan is being prepared by the management teams of both Groups with a view to expanding the distribution network and focusing on certain countries where IMS has a strong presence. This structural relationship will provide Spineway with new growth opportunities on known territory and open its way to the African continent where the use of implants is taking off in orthopedics and neurosurgery.

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

*Find out all about Spineway at [www.spineway.com](http://www.spineway.com)*

*Next communication: 2019 half-year results – 29 October 2019*

This press release has been prepared in both English and French. In case of discrepancies, the French version shall prevail.

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

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

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