



First subscription phase pursuant to the agreement for the issue of tranche warrants granting rights to exercise bonds convertible into new ordinary shares with warrants entered into with NEGMA GROUP LTD on 16 October 2019

Minimum of €5.3M by 31 March 2020

In accordance with:

- the delegation of power granted by the Extraordinary Shareholders' Meeting held by Spineway (the "**Company**") on 3 October 2019;
- the Board of Directors' decision of 17 October 2019 approving the issue of 16 000 warrants (the "**Tranche Warrants**") the exercise of which gives access to the issue of a maximum of 16 000 bonds convertible into new ordinary shares (the "**Convertible Bonds**") with warrants (the "**Warrants**"), representing a bond issue for a maximum total par value of 40 000 000 euros, with cancellation of the shareholders' preferential subscription right in favor of NEGMA GROUP LTD (the "**Investor**");¹

And, in order to finance equity investment plans and support its strategies, Spineway decided to launch the first phase of the Convertible Bonds subscription program as follows:

- First subscription tranche of 24 December 2019 for 800 Tranche Warrants granting rights to:
 - 800 Convertible Bonds with a par value of 2,500 euros;
 - i.e., a total bond issue of 2,000,000 euros;
- Second subscription tranche to take place by 31 March 2020, at the latest, for a minimum of 740 Tranche Warrants granting rights to:
 - 740 Convertible Bonds with a par value of 2,500 euros;
 - i.e., a total bond issue of at least 1,850,000 euros.

The Company would like to specify the following:

- The first subscription tranche for convertible bonds is accompanied by a Commitment Fee and compensation in favor of Negma Group Ltd, representing 2.85% and 0.875% respectively of the total possible commitment of 40,000,000 euros. The Company has the choice of paying in cash or via the issuance of additional convertible bonds and chose to grant 580 additional convertible bonds representing a total value of 1,450,000 euros to be added to the bond issue from the first subscription tranche.

¹ Cf. press release dated 18 October 2019

- The second subscription tranche may be revised upwards depending on the progress of the equity-investment or strategic plans under consideration.

As a reminder:

- The Convertible Bonds have a par value of 2 500 euros each and are subscribed at 100% of par.
- The Convertible Bonds have a maturity of 12 months from their date of issuance. In the event of default², a significant adverse event³, a change in control or failure to deliver new shares in accordance with the Issuance Agreement, the Convertible Bonds that have not been converted shall be redeemed by the Company at par. Upon maturity, the Convertible Bonds shall be converted by their bearer into SPINEWAY shares. The Convertible Bonds shall not bear interest.
- At its discretion, the Investor may, at any time, convert all or any of the Convertible Bonds into new ordinary shares (a “**Conversion**”). Upon a Conversion, the Investor shall determine the number of Convertible Bonds to be converted and the total par value to be converted (the “**Conversion Amount**”).

It is also recalled that details beyond the main characteristics of the Tranche Warrants, Convertible Bonds and Warrants are available on the Company’s website as well as in the press release dated 18 October 2019.

Theoretical impact of the issuance at the Conversion Price of the Convertible Bonds with attached Warrants at the Warrants’ Strike Price as at 24 December 2019.

As an indication, if the Company was to decide to allocate only new shares upon conversion of the Convertible Bonds, the impact of the issuance of the Convertible Bonds with Warrants would be as follows:

- Impact of the issuance on the consolidated net assets per share (based on the consolidated net assets as at 30 June 2019, plus the various transactions involving the capital that took place in the meantime, i.e., 7.626M euros, and the number of shares making up the Company’s share capital as at 24 December 2019, i.e., 454 571 079 shares):

| | <u>Consolidated net assets per share (non-diluted basis)</u> | <u>Consolidated net assets per share (fully diluted basis)⁽¹⁾</u> |
|---|--|--|
| <u>Before issuance</u> | <u>€0.0168</u> | <u>€0.0162</u> |
| <u>After issuance of a maximum of 442 307 692 new ordinary shares (for 1 380 Convertible Bonds from the first tranche), including the Commitment Fee, upon conversion of the Convertible Bonds alone</u> | <u>€0.0117</u> | <u>€0.0120</u> |
| <u>After issuance of a maximum of 488 891 542 new ordinary shares (for 1 380 Convertible Bonds from the first tranche), including the Commitment Fee, upon conversion of the Convertible Bonds and exercise of the attached Warrants of the first tranche</u> | <u>€0.0116</u> | <u>€0.0119</u> |

² Events of default include, in particular, the suspension of the listing of the SPINEWAY shares, the announcement of a takeover of the Company and any significant adverse change.

³ Any and all events or circumstances constituting a significant adverse change affecting the assets or the Company’s financial or commercial situation, subject to such change being considered materially adverse only if it had or could reasonably have an unfavorable net impact on the Company’s financial situation or assets exceeding 1 000 000 euros.

| | <u>Consolidated net assets per share (non-diluted basis)</u> | <u>Consolidated net assets per share (fully diluted basis)⁽¹⁾</u> |
|--|--|--|
| <u>After issuance of a maximum of 5 314 102 563 new ordinary shares (for 16 580 Convertible Bonds), including the Commitment Fee, upon conversion of the Convertible Bonds alone for all the tranches together</u> | <u>€0.0084</u> | <u>€0.0086</u> |
| <u>After issuance of a maximum of 6 000 000 000 new ordinary shares (for 16 580 Convertible Bonds), including the Commitment Fee, upon conversion of the Convertible Bonds and exercise of some of the attached Warrants for all the tranches together</u> | <u>€0.0087</u> | <u>€0.0088</u> |

⁽¹⁾ assuming the exercise of all the dilutive instruments existing to date that could result in the creation of an indicative maximum of 133 520 736 new shares, including the exercise of the 137 805 warrants issued pursuant to the issuance of ORNANE with warrants in favor of the YA II PN, LTD investment fund and 80 916 666 warrants issued pursuant to the issuance of OCEANE with warrants in favor of the European High Growth Opportunities Manco SA investment fund. This dilution does not assume either the final number of shares to be issued or their issue price, which shall be determined based on the market price, in accordance with the terms set forth above.

Impact of the issuance on the investment of a shareholder currently holding 1% of the Company's share capital (based on the number of shares making up the Company's share capital as at 24 December 2019, i.e., 454 571 079 shares):

| | <u>Shareholder stake - as a % (non-diluted basis)</u> | <u>Shareholder stake - as a % (fully diluted basis)⁽¹⁾</u> |
|---|---|---|
| <u>Before issuance</u> | <u>1%</u> | <u>1%</u> |
| <u>After issuance of a maximum of 442 307 692 new ordinary shares (for 1 380 Convertible Bonds from the first tranche), including the Commitment Fee, upon conversion of the Convertible Bonds alone</u> | <u>0.48%</u> | <u>0.54%</u> |
| <u>After issuance of a maximum of 488 891 542 new ordinary shares (for 1 380 Convertible Bonds from the first tranche), including the Commitment Fee, upon conversion of the Convertible Bonds and exercise of the attached Warrants of the first tranche</u> | <u>0.45%</u> | <u>0.52%</u> |
| <u>After issuance of a maximum of 5 314 102 563 new ordinary shares (for 16 580 Convertible Bonds), including the Commitment Fee, upon conversion of the Convertible Bonds alone for all the tranches together</u> | <u>0.08%</u> | <u>0.10%</u> |
| <u>After issuance of a maximum of 6 000 000 000 new ordinary shares (for 16 580 Convertible Bonds), including the Commitment Fee, upon conversion of the Convertible Bonds and exercise of some of the attached Warrants for all the tranches together</u> | <u>0.07%</u> | <u>0.09%</u> |

⁽¹⁾ assuming the exercise of all the dilutive instruments existing to date that could result in the creation of an indicative maximum of 133 520 736 new shares, including the exercise of the 137 805 warrants issued pursuant to the issuance of ORNANE with warrants in favor of the YA II PN, LTD investment fund and 80 916 666 warrants issued pursuant to the issuance of OCEANE with warrants in favor of the European High Growth Opportunities Manco SA investment fund. This dilution does not assume either the final number of shares to be issued or their issue price, which shall be determined based on the market price, in accordance with the terms set forth above.

Ongoing monitoring of the creation of new shares pursuant to the conversion of Convertible Bonds or the exercise of Warrants shall be reflected in a regularly updated tab available on Spineway's website: www.spineway.com.

Next communication: 2019 annual revenue – 16 January 2020

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

Find out all about Spineway at www.spineway.com

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

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

Spineway has an international network of over 50 independent distributors and 90% of its revenue comes from exports.

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

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