

## Morning Note – 18<sup>th</sup> July 2024

### SPINEGUARD

510K filing for a new medical device (US future approval)

- DSG's first "non-spinal" usage
- A real business opportunity
- A future contribution to the growth scenario

#### First extension of the scope of use of DSG technology

SpineGuard announced last night that it had filed for US registration (510K regulatory pathway) of a new device designed to assist posterior sacroiliac joint fusion surgery (PsiF). This device, called PsiGuard, is an addition to the PediGuard range, which until now has been dedicated to assisting with the placement of pedicle screws implanted in arthrodesis procedures (fusion of weakened vertebral stages or requiring long-term alignment correction).

PsiGuard takes the form of a needle fitted with a connected handle, enabling the surgeon to differentiate between bone tissue and joint cartilage, and to check the correct positioning of implants placed to promote fusion of the two bony zones (sacrum and ilium). This device enables SpineGuard and its American partner Omnia Medical to extend the scope of application of DSG technology beyond the *spine sensu stricto*.

#### Osteoarthritis of the sacroiliac joint: a widespread problem

The pelvis withstands considerable pressure and force. It's hardly surprising, then, that the joint connecting the sacrum and the ilium wears out over time. The pain induced is intense and frequently localized in the buttock. They are often incapacitating. To accurately diagnose this joint damage, a test infiltration of local anaesthetic is performed under X-ray or CT scan control. According to various studies, 10% to 15% of low-back pain is caused by osteoarthritis of the sacroiliac joint. Bone fusion is the most effective treatment option. This approach does not call into question the patient's subsequent mobility. This joint has no real role in flexion or other relative movement of the bones involved. The procedure does, however, require optimal placement of the implants, so that they do not rest on the cartilage. The new PsiGuard device ensures optimal implant insertion, while also limiting X-ray exposure time during the procedure. SpineGuard and Omnia Medical offer surgeons a useful solution that should find its place in the operating theatre.

#### Valuation and rating

The filing of this dossier was eagerly awaited. FDA review time is expected to be around 6 months. PsiGuard should be launched in the United States in mid-2025. We have anticipated this contribution in our recently adjusted model. This announcement therefore confirms our scenario, and we reiterate our positive recommendation on the stock.

Next communication : HY results – September 11th

### France - Medtech

Buy

Fair value (EUR)	0.75
Price (EUR)	0.1578
Upside/down side	+375.3%

Lionel Labourdette, PhD, MBA

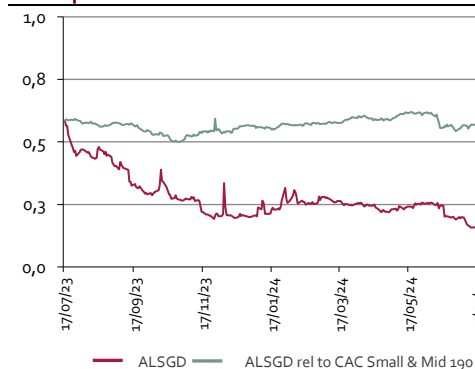
lionel@biostrategic-research.com

+33 617 965 019

#### Stock data (2024-07-17)

ISIN	FR0011464452
Ticker	ALSGD.PA
Price (EUR)	0.1578
Market capitalisation (EURm)	8.5
Free float (%) est.	95.2
Floating capitalisation (EURm)	8.1
Number of shares (,000)	53,501
Average daily volume (3 m)	119,520

#### 12m performance



Change (%)	1 m	3 m	12m
Absolute	-21.5	-33.7	-73.0
Rel. to CAC SM190	-22.3	-29.7	-70.0
Rel. to Next Biotech	-35.7	-49.4	-63.3

#### Financials (31/12)

EURm	2023	2024E	2025E	2026E
Sales	4.3	5.4	7.0	8.5
EBITDA	-3.7	-2.6	-1.5	-0.6
EBIT	-4.0	-2.9	-1.8	-1.0
Net income	-4.2	-3.2	-2.0	-1.1
EPS (EUR)	-0.08	-0.06	-0.03	-0.02
Net debt	-0.8	0.4	1.2	0.8

#### Key ratios

	2023	2024E	2025E	2026E
EV/Sales	2.0x	2.3x	1.9x	1.5x
EV/EBITDA	na	na	na	na
EV/EBIT	na	na	na	na
PER	na	na	na	na
ROIC	na	na	na	na
ROE	na	na	na	na
EV/IC	1.7x	2.3x	2.5x	2.4x
Gearing	-13%	7%	31%	19%

## Profit and Loss

As of 31/12 (EURm)	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Sales</b>	<b>6.83</b>	<b>4.85</b>	<b>4.41</b>	<b>5.60</b>	<b>4.31</b>	<b>5.39</b>	<b>6.99</b>	<b>8.49</b>
Change n-1	-9.9%	-29.0%	-9.2%	27.1%	-23.0%	25.1%	29.6%	21.3%
Other revenues	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6.83</b>	<b>4.85</b>	<b>4.41</b>	<b>5.60</b>	<b>4.31</b>	<b>5.39</b>	<b>6.99</b>	<b>8.49</b>
Gross margin	5.77	4.04	3.61	4.71	3.38	4.37	5.85	7.19
<b>EBITDA</b>	<b>-0.14</b>	<b>-1.49</b>	<b>-1.04</b>	<b>-1.37</b>	<b>-3.68</b>	<b>-2.56</b>	<b>-1.45</b>	<b>-0.59</b>
Change n-1	84%	-993%	30%	-31%	-169%	31%	43%	59%
Depreciation & amortisation	0.30	0.35	0.31	0.43	0.16	0.25	0.25	0.26
Goodwill	-	-	-	-	-	-	-	-
<b>EBIT</b>	<b>-0.43</b>	<b>-1.84</b>	<b>-1.35</b>	<b>-1.66</b>	<b>-3.98</b>	<b>-2.93</b>	<b>-1.83</b>	<b>-0.98</b>
Change n-1	61%	-326%	27%	-23%	-139%	26%	37%	46%
Net financial income	-0.64	-0.84	-0.30	-0.43	-0.23	-0.20	-0.13	-0.06
Minorities	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Net profit before tax</b>	<b>-1.07</b>	<b>-2.68</b>	<b>-1.65</b>	<b>-2.09</b>	<b>-4.20</b>	<b>-3.14</b>	<b>-1.96</b>	<b>-1.05</b>
Tax	0.39	-0.04	-0.08	-0.30	0.02	-0.07	-0.07	-0.07
<b>Net in come</b>	<b>-0.69</b>	<b>-2.72</b>	<b>-1.72</b>	<b>-2.39</b>	<b>-4.18</b>	<b>-3.21</b>	<b>-2.03</b>	<b>-1.12</b>
Change n-1	71%	-296%	37%	-39%	-75%	23%	37%	45%
EPS	-0.05	-0.12	-0.06	-0.07	-0.09	-0.06	-0.03	-0.02
EPS fully diluted	-0.05	-0.10	-0.05	-0.07	-0.08	-0.06	-0.03	-0.02
Gross margin (% of sales)	84.5%	83.2%	81.9%	84.2%	78.3%	81.0%	83.6%	84.8%
EBITDA (% of sales)	na	na	na	na	na	na	na	na
EBIT (% of sales)	na	na	na	na	na	na	na	na
Net margin (% of sales)	na	na	na	na	na	na	na	na

## Cash Flow statement

Au 31/12 (MEUR)	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net income</b>	<b>-0.69</b>	<b>-2.72</b>	<b>-1.72</b>	<b>-2.39</b>	<b>-4.18</b>	<b>-3.21</b>	<b>-2.03</b>	<b>-1.12</b>
Depreciation and amortisation	0.30	0.35	0.31	0.43	0.16	0.25	0.25	0.26
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in WCR	0.27	0.64	-0.09	-0.51	-0.10	-0.48	-0.28	-0.32
Others	0.71	1.04	0.35	1.07	0.51	0.43	0.36	0.29
<b>Cash-flow from operations</b>	<b>0.60</b>	<b>-0.68</b>	<b>-1.16</b>	<b>-1.40</b>	<b>-3.62</b>	<b>-3.01</b>	<b>-1.70</b>	<b>-0.89</b>
Capex	-0.08	-0.05	-0.04	-0.14	-0.07	-0.08	-0.08	-0.08
<b>Free cash flow</b>	<b>0.52</b>	<b>-0.73</b>	<b>-1.19</b>	<b>-1.54</b>	<b>-3.69</b>	<b>-3.09</b>	<b>-1.78</b>	<b>-0.97</b>
Acquisitions	-	-	-	-	-	-	-	-
Divestments	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital increase	1.75	1.75	6.51	1.20	4.77	1.50	1.00	1.00
Financing (bank and others)	0.22	0.00	-	-	-	-	-	-
Others	-1.54	-0.99	-0.91	-1.09	-1.09	-0.65	-0.61	-0.08
<b>Change in cash over the period</b>	<b>0.96</b>	<b>0.03</b>	<b>4.41</b>	<b>-1.44</b>	<b>-0.01</b>	<b>-2.24</b>	<b>-1.40</b>	<b>-0.04</b>
Opening cash position	1.16	2.12	2.15	6.56	5.12	5.11	2.87	1.48
Closing cash position	2.12	2.15	6.56	5.12	5.11	2.87	1.48	1.43

## Balance sheet

Au 31/12 (MEUR)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Fixed assets	0.63	0.50	0.37	0.28	0.23	0.14	0.05	-0.05
Intangible assets	0.72	0.69	0.89	1.27	1.24	1.03	0.82	0.61
Goodwill	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.66	0.66	0.68	0.87	0.95	0.84	1.09	1.32
Account receivables	0.95	0.71	0.62	1.10	0.75	1.06	1.37	1.66
Other receivables	0.55	0.67	0.57	0.63	0.73	0.56	0.70	0.91
Cash and cash equivalents	1.40	1.22	5.21	4.12	3.89	1.65	0.26	0.21
Prepaid expenses	-	-	-	-	-	-	-	-
Other non-current assets	0.50	0.51	0.48	0.17	0.17	0.17	0.17	0.17
<b>Total assets</b>	<b>8.50</b>	<b>8.06</b>	<b>11.90</b>	<b>11.50</b>	<b>11.04</b>	<b>8.53</b>	<b>7.54</b>	<b>7.92</b>
Equity	0.59	-0.01	5.06	5.14	6.03	4.92	3.93	4.24
Others	-	-	-	-	-	-	-	-
Provisions	0.05	0.05	0.05	0.18	0.03	0.16	0.29	0.42
Financial debt	6.08	5.64	4.47	3.83	3.09	2.02	1.47	1.00
Account payables	1.04	1.34	1.00	1.14	1.21	0.68	0.89	1.08
Other debts	0.62	0.88	1.00	1.00	0.67	0.75	0.97	1.19
Deferred income and other liabilities	0.11	0.15	0.32	0.21	-	-	-	-
<b>Total liabilities</b>	<b>8.50</b>	<b>8.06</b>	<b>11.90</b>	<b>11.50</b>	<b>11.04</b>	<b>8.53</b>	<b>7.54</b>	<b>7.92</b>

**IMPORTANT INFORMATION**

**Responsibility for this publication**

This publication has been prepared under the only responsibility of BioStrategic Partners.

**Recipient**

This publication is exclusively designed for "Eligible Counterparties" or "Business Customers". It is not designed to be distributed or transmitted, directly or indirectly, to "Retail Customers".

**Absence of investment advice**

This publication has been produced for information only and does not represent investment advice, given that it has been prepared without knowledge of the financial situation, asset position or any other personal circumstance of the persons who may receive it.

**Absence of buy or sell offering of financial instruments**

This publication does not represent an offering or an incentive to buy or sell the financial instruments outlined in it.

**Reliability of information**

Every precaution has been taken by Biostrategic Partners to ensure that the information contained in this publication come from sources considered reliable. Unless otherwise specifically indicated in this publication, all opinions, estimations and forecasts given, are those of Biostrategic Partners at that date and may be revised without prior notice.

**Exemption from liability**

Neither Biostrategic Partners nor SwissLife Banque Privée shall be liable for any damage that may result from the incorrect or incomplete nature of this publication. Neither Biostrategic Partners or SwissLife Banque Privée is not liable for any investment decisions, regardless of their nature, made by the users of this publication on its basis.

**Transfer and distribution of this publication**

This document was sent, prior to its publication, to the issuer of the financial instruments to which it refers. This document may not be reproduced, distributed or published in whole or in part without the prior written consent of Biostrategic Partners and SwissLife Banque Privée.

**Warning concerning performance**

Investors should note that any income from financial instruments can fluctuate and that prices can fall as well as rise. Past and simulated performance does not guarantee future performance.

**Detection of potential conflicts of interest**

Company	Potential conflicts of interest with Biostrategic Partners						
	a)	b)	c)	d)	e)	f)	g)
<b>SPINEGUARD</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

*The analyst has a familial relationship with a founding partner of IPF Partners who holds SpineGuard' bonds with warrants attached*

- a) Biostrategic Partners has participated or is participating, either as lead manager or member of an investment or guarantee syndicate for a financial transaction, either as advisor of a public offering over the last twelve months or as Listing Sponsor of the company.
- b) Biostrategic Partners holds an investment stake greater than or equal to 5% in the capital of the company under analysis.
- c) The company who is the subject of this analysis holds an investment stake greater than or equal to 5% in Biostrategic Partners.
- d) Biostrategic Partners and/or one of its affiliates is/are liquidity provider(s) or market maker(s) for (one of) the company's financial instrument/s.
- e) Biostrategic Partners has agreed with the company to provide a service of production and distribution of analysis regarding the company.
- f) Biostrategic Partners has modified its conclusions after notifying the company before its distribution of this analysis.
- g) The person/s responsible for the analysis, a director or a member of the Board of Directors of Biostrategic Partners is a manager, director or member of the Board of Directors of the company.

Company	Potential conflicts of interest with SwissLifeBanquePrivée						
	a)	b)	c)	d)	e)	f)	g)
<b>SPINEGUARD</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

- a) SwissLife Banque Privée has participated or is participating, either as lead manager or member of an investment or guarantee syndicate for a financial transaction, either as advisor of a public offering over the last twelve months or as Listing Sponsor of the company.
- b) SwissLife Banque Privée holds an investment stake greater than or equal to 5% in the capital of the company under analysis.
- c) The company who is the subject of this analysis holds an investment stake greater than or equal to 5% in SwissLife Banque Privée.
- d) SwissLife Banque Privée and/or one of its affiliates is/are liquidity provider(s) or market maker(s) for (one of) the company's financial instrument/s.
- e) SwissLife Banque Privée has agreed with the company to provide a service of production and distribution of analysis regarding the company.
- f) SwissLife Banque Privée has modified its conclusions after notifying the company before its distribution of this analysis.
- g) The person/s responsible for the analysis, a director or a member of the Board of Directors of SwissLife Banque Privée is a manager, director or member of the Board of Directors of the company.

**Swiss Life Banque Privée**

Société Anonyme au capital de 37.092.080 €  
Code établissement bancaire n°11 238  
RCS Paris 382 490 001  
7. place Vendôme - F 75041 Paris Cedex 01 – France  
Tél. : +33 1 53 29 14 14

**BioStrategic Partners SAS**

Société par Actions Simplifiée au capital de 30. 000 €  
RCS Paris 530 430 487  
140 bis. rue de Rennes - F 75006 Paris – France  
Tél. : +33 6 17 96 50 19

BioStrategic Research est une marque déposée de BioStrategic Partners SAS