

## IMPLANET reports its 2021 financial results and reviews its transformative year

- Successful strategic repositioning: strengthening of the Spine business (+62% in 2021) with the acquisition of OSD and divestment of MADISON™
- Sharp increase of 46% in the gross margin, to €3.72 million
- 22% improvement in the net result

**Bordeaux, Boston, March 15, 2022 – 6.00 pm CET:** IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in vertebral implants, announces its results for the financial year to December 31, 2021, approved by the Board of Directors on March 14, 2022.

**Ludovic Lastennet, IMPLANET's CEO,** said: "2021, which was marked by the acquisition of OSD and the divestment of our Knee business, was a pivotal year for Implanet. The reorganization of our operations has already started to bear fruit, with a significant improvement in our revenue and gross margin over the period, and should show its full potential in 2022. These achievements were accompanied by our continuous investment policy, which aims to enhance our vertebral implant range, and the signing of new partnerships, essential to our continued commercial development. Continuing on from 2021, and in keeping with the strategic routes we have been following for the last two years, our target is to strengthen our presence abroad, and more specifically in the United States. 2022 has got off to a good start, with the first surgical procedures with both JAZZ™ PF and ORIGIN, and should see an acceleration following the postponements of surgical procedures observed in 2021".

### Income statement

In € thousands – consolidated accounts, IFRS

	2021	2020 restated	Change
<b>Revenue</b>	<b>6,140</b>	<b>3,892</b>	58%
Cost of goods sold	- 2,420	- 1,339	81%
<b>Gross margin</b>	<b>3,721</b>	<b>2,553</b>	46%
Gross margin %	60.6%	65.6%	
Operating costs	-8,040	-5,860	37%
<b>Recurring operating profit/loss</b>	<b>- 4,319</b>	<b>-3,307</b>	<b>-31%</b>
Other non-recurring operating income/expenses	-323	-135	139%
Operating profit/loss	-4,642	-3,442	-35%
Financial profit/loss	46	-293	116%
Net profit/loss from continuing business	-4,597	-3,735	-23%
Net p/l and divestment price of divested business	1,509	-240	-
<b>Net result</b>	<b>-3,088</b>	<b>-3,976</b>	<b>22%</b>

*N.B.: The 2020 result includes restatements associated with the divestment of the MADISON™ business in accordance with IFRS 5: "Non-current assets held for sale and discontinued operations". As per this standard, revenue generated by MADISON™ activity up to October 29, 2021 (date of its divestment to SERF) and related operating expenses are classified as divested business under the net profit/loss from continuing business.*

## **2021 revenue: substantial increase of 58%**

2021 consolidated revenue, restated for the MADISON™ business in accordance with IFRS 5, totaled €6.1 million, up 58% compared with the previous year. Excluding the restatement of the MADISON™ business, revenue would have been €7.7 million, up 29% compared with 2020 not restated.

Spine activity recorded very strong growth of 62%, with revenue totaling €6.1 million in 2021. OSD's contribution to revenue (between May 19 and December 31, 2021) corresponded to €2.0 million. Hence, despite the still substantial impact of COVID-19 in 2021, the Spine business generated organic growth of 8%. In France, Spine activity more than doubled to €2.7 million. The Rest of the World generated revenue of €2.0 million, giving very buoyant growth of 168% compared with 2020. Lastly, the United States saw revenue decline by 20% to €1.4 million, a decrease primarily due to surgical operations being postponed and SeaSpine's orders being pushed back.

## **Sharp increase in the gross margin and improvement in the net result**

The gross margin improved by 46% between 2020 and 2021, increasing from €2.55 million to €3.72 million.

Over the period, recurring operating expenses increased by €2.18 million, notably as a result of OSD's operating expenses of €1.34 million (from May 19, 2021). Implanet also continued its investments in R&D, quality control and regulatory affairs in order to maintain its technological lead and secure marking and marketing approvals for its implants.

The recurring operating loss was €4.32 million in 2021, versus a loss of €3.31 million in 2020. Other non-recurring operating expenses correspond to the costs incurred for the acquisition of OSD. Taking into account these exceptional items and the financial result, the net loss from continuing business was €4.60 million in 2021 versus a loss of €3.74 million in 2020.

Furthermore, the net profit of divested business (MADISON™) was €1.51 million in 2021, compared with a loss of €0.24 million in 2020. The 2021 figure includes net income of €1.52 million from the divestment of the MADISON™ business. Certain price supplements, which could depend on regulatory approvals or sales generated with partner KiCo, for a total of €1.35 million, were – on grounds of caution – not booked at the end of the year, and will be booked at a later time depending on the approvals and sales mentioned above.

As a result, in 2021 the net loss improved by 22%, from -€3.98 million to -€3.09 million.

The Company is committed to continuing its cost controls, and the reorganization of operations with its new OSD subsidiary – completed at the end of September 2021 – should bear fruit in 2022.

## **Cash position**

At December 31, 2021, Implanet had a cash position of €1.87 million. At the same time, the payment of the remaining balance on the divestment price of the MADISON™ knee business, i.e. €2.3 million, is being spread over time depending on the achievement of regulatory milestones relating to CE marking, with €0.6 million of this balance expected to be received in 2022.

Lastly, in January 2021 the Company signed a convertible bond program with Nice & Green for a total of €5.0 million. At December 31, €2.1 million is still available and remains to be subscribed to by Nice & Green.

Given these elements, the Company considers that it has sufficient working capital for the next 12 months. Furthermore, it is continuing to review additional solutions to finance its development.

### Key 2021 highlights

- ✓ Acquisition of Orthopaedic & Spine Development (“OSD”), which specializes in developing, manufacturing and marketing implants for spine surgery
- ✓ Signature of a distribution contract in Germany with Ulrich GmbH & Co. KG for Implanet’s JAZZ® implants and the OSD cervical plate
- ✓ Signing of an exclusive agreement with GLOBUS MEDICAL for the distribution of its REFLECT® scoliosis correction system to 15 French university centers specialized in pediatric spine surgery
- ✓ Divestment of the MADISON™ knee prosthesis range to the MENIX Group’s SERF company

### Key events since the end of 2021

- ✓ First surgical procedures in the United States with JAZZ™ PF, innovative solution from the JAZZ® range
- ✓ First surgical operations in the United States with the ORIGIN cervical plate, marking the first successes of the synergies with OSD products

### 2022 strategy and outlook

- ❖ Finalize the globalization of our product offer for Spine surgery:
  - Sustain the product synergies initiated in 2021 on our priority direct sales markets;
  - Address emerging group purchasing concerns, both in the public sector and in private facility groups.
- ❖ Revitalize our presence in the United States:
  - Add to the existing commercial team;
  - Strengthen our direct approach by expanding our opinion leader scientific team;
  - Launch, in 2022, two more product ranges resulting from the acquisition of OSD: SWINGO and ORIGIN.
- ❖ Seek strategic partnerships to allow Implanet to enter a new phase and achieve revenue leading to financial equilibrium in the short / medium term.

## About IMPLANET

Founded in 2007, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its activity revolves around a comprehensive innovative solution for improving the treatment of spinal pathologies (JAZZ®) complemented by the product range offered by Orthopaedic & Spine Development (OSD), acquired in May 2021 (thoraco-lumbar screws, cages and cervical plates). Implanet's tried-and-tested orthopedic platform is based on the traceability of its products. Protected by four families of international patents, JAZZ® has obtained 510(k) regulatory clearance from the Food and Drug Administration (FDA) in the United States, the CE mark in Europe and ANVISA approval in Brazil. IMPLANET employs 39 staff and recorded a consolidated revenue of €6.1 million in 2021. Based near Bordeaux in France, IMPLANET opened a US subsidiary in Boston in 2013. IMPLANET is listed on the Euronext Growth market in Paris. For further information, please visit [www.implanet.com](http://www.implanet.com).

The Company would like to remind readers that the table for monitoring the equity line (OCA, BSA) and the number of shares outstanding is available on its website: <http://www.implanet-invest.com/suivi-des-actions-80>

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