



Implanet: 2020 half-year results

- Limited impact of the COVID-19 pandemic on the recurring operating result
- Upturn in activity beginning June 2020
- Resumption of surgical operations seen in the 3rd quarter of 2020

Implanet is holding a conference call (in French only) at 6.15 pm CEST today to present these results
To join the call, please dial in on +33 (0)1 70 71 01 59
then enter the participant PIN code 85 01 50 33 #

Bordeaux, Boston, September 15, 2020 - 5.45 pm CEST - IMPLANET (Euronext Growth: ALIMP, FRO013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in vertebral and knee-surgery implants, announces its results for the first half of the year to June 30, 2020, as approved by the Board of Directors on September 15, 2020.

Implanet CEO Ludovic Lastennet said: *“These first-half results illustrate the slowdown in activity due to the COVID-19 pandemic, embodied by the halting and postponement of scheduled surgical operations since March. Measures implemented in early spring have enabled us to navigate this period as best as possible. We reacted swiftly, and the decrease in activity was partly offset by adapting our cost structure and managing our operations in France and abroad. The latest trends confirm the gradual upturn in activity, we anticipate recovering a portion of the lost revenue we were unable to generate during this period during the second half of the year. Nevertheless, we are keeping a close eye on the continually changing public health situation and will activate every lever at our disposal in order to pursue our development by capitalizing on Implanet’s assets and product ranges”.*

<i>In € thousands – IFRS*</i>	H1 2020	H1 2019	Change (%)
Revenue	2,595	3,818	-32%
Cost of goods sold	-1,148	-1,641	-30%
Gross margin	1,446	2,177	-34%
<i>Gross margin %</i>	<i>55.7%</i>	<i>57.0%</i>	-1.3 pp
<i>Recurring operating costs</i>	<i>-3,339</i>	<i>-3,898</i>	-14%
EBIT before non-recurring items	-1,892	-1,721	-10%
<i>Other non-recurring income / (expense)</i>	<i>-148</i>	<i>171</i>	n/a
EBIT	-2,040	-1,550	-32%
Financial income/(loss)	-370	-275	-34%
Net income/(loss)	-2,410	-1,825	-32%

*Unaudited data

Revenue tied to the COVID-19 pandemic in H1 2020

Over the first six months of 2020, Implanet generated sales of €2.59 million, down 32% on the H1 2019 figure of €3.82 million. Spine sales totaled €1.51 million (vs. €2.38 million in H1 2019), while Knee activity fell by 24% compared with the first half of 2019, totaling €1.08 million.

First-half revenue was heavily impacted by the COVID-19 pandemic, particularly the Export segment. This impact was mainly concentrated on the months from March until May, with the majority of surgical operations suspended in the countries Implanet addresses directly (France, United States and Germany) as well as the postponement of export deliveries as a precautionary measure. The Company recorded an increase in activity in June, notably thanks to JAZZ® activity in France, which was up 10%.

Reminder of percentage of 2019 monthly revenue achieved in each of the first 6 months of 2020:

	January	February	March	April	May	June
Percentage of 2019 revenue	111%	115%	42%	11%	37%	80%

Gross margin and EBIT

Over the first half of 2020, the gross margin was €1.44 million, versus €2.18 million in 2019, a result of the impact of the COVID-19 pandemic. This decrease was partially offset by a €0.56 million decrease in recurring operating expenses made possible by adapting the Company's cost structure. In particular, this management was characterized by the rapid implementation of partial work measures, which resulted in savings of €0.39 million over the period, and tight control over marketing and administrative spending.

Other non-recurring operating expenses correspond to the costs incurred during the Knee activity divestment project. These exclusive negotiations have been terminated. As a reminder, in 2019, the non-recurring income corresponded to the reversal of a provision concerning a dispute between Implanet and a distributor.

At June 30, 2020, the financial result can primarily be explained by the cost of bond financing and foreign exchange losses recorded in the South America zone.

Given all these elements, the net loss was €2.41 million at June 30, 2020, versus a loss of €1.83 million in the first half of 2019.

Cash position

As of June 30, 2020, Implanet had cash and cash equivalents of €0.97 million, versus. €0.68 million at December 31, 2019.

Regarding its financial situation, the Company has benefited from State support, notably via two State-guaranteed loans in France totaling €0.80 million and, in the United States, the financing of a PPP (Paycheck Protection Program) loan of \$79 thousand. The Company has also been granted a deferral of its social security contributions totaling €0.21 million.

As a reminder, on February 7, 2020 the Company renewed its bond financing line with Nice & Green for a maximum amount of €4.0 million over the period from February 2020 to February 2021. At June 30, 2020, it still had access to €2.74 million.

2020 outlook

Regarding the current third-quarter trend, surgical operations resumed over the summer and numerous operations are currently scheduled for the coming weeks, suggesting that activity during this quarter should be in line with that recorded in 2019.

However, the performance in the coming months will depend on the evolution of the public health situation, both in France and abroad. Given the ongoing changes in this situation, it is difficult to establish estimates for the full year. Implanet will continue to work hard to make the most of the resumption of surgical operations and to optimize its cost structure to end this quarter and the year in the most positive way possible.

Reminder of H1 2020 highlights

- Further development of the direct sales model in key European markets such as Germany, where it has appointed Stephan Collardey as Country Manager Germany;
- Extension of the CE marking on the Company's entire range of MADISON™ knee prostheses until 2024 by the European authorities;
- JAZZ Cap® intellectual property extended to Japan;
- Marketing of the MADISON total knee prosthesis in the United States, in partnership with KICo.

Upcoming financial event:

- **Q3 2020 revenue**, on October 13, 2020 after market close

About IMPLANET

Founded in 2007, Implanet is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its activity revolves around two product ranges, the latest generation JAZZ® implant, designed to improve the treatment of spinal pathologies requiring vertebral fusion surgery, and the MADISON implant designed for first-line prosthetic knee surgery. Implanet's tried-and-tested orthopedic platform is based on product traceability. Protected by four families of international patents, JAZZ® and MADISON have obtained 510(k) regulatory clearance from the Food and Drug Administration (FDA) in the United States, the CE mark as well as the ANVISA authorization in Brazil. Implanet employs 36 staff and recorded 2019 sales of €7.4 million. For further information, please visit www.implanet.com. Based near Bordeaux in France, Implanet established a US subsidiary in Boston in 2013. Implanet is listed on Euronext™ Growth market in Paris.

The Company would like to remind readers that the table for monitoring the equity line (OCA, OCAP, 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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