



Implanet reports dramatic improvement in first-half earnings

- Gross margin up 8%
- Operating loss significantly reduced by 44% to €1.55 million

**Implanet will be holding a conference call in French at 6:00pm CEST time today.
To take part, dial +33 (0) 1 70 71 01 59
followed by attendee PIN code 70492999 #**

Bordeaux, Boston, September 9th, 2019 at 5:45pm: IMPLANET (Euronext Growth: ALIMP, FR0010458729, eligible for PEA-PME equity savings plans; OTCQX: IMPZY), a medical technology company specializing in vertebral and knee-surgery implants, today announced its earnings for the six months ended 30 June 2019, as approved by the Board of Directors on September 9th, 2019.

Implanet CEO Ludovic Lastennet said: *“First-half earnings are in line with our operational roadmap. Thanks to the strategic repositioning carried out last year and our continued tight cost management, financial indicators have improved considerably. During the second half, we will continue to focus our business development and operations on markets where the company operates directly and where the margins generated will help improve profitability in the long run.”*

€000 - IFRS*	H1 2019	H1 2018	Change %
Revenue	3,818	3,632	+5%
Cost of goods sold	(1,641)	(1,609)	+2%
Gross margin	2,177	2,023	+8%
Gross margin %	57.0%	55.7%	+1.3 pp
Operating expenses	(3,898)	(4,772)	-18%
EBIT before non-recurring items	(1,721)	(2,750)	+37%
Non-recurring operating income and expenses	171	0	-
EBIT	(1,550)	(2,750)	+44%
Financial income/(loss)	(275)	(22)	n/a
Net income/(loss)	(1,825)	(2,772)	+34%

*Unaudited data

Revenue up 5% to €3.82 million

Knee revenue remained stable at €1.43 million for the first half. Meanwhile, first-half JAZZ® revenue rose 8% to €2.38 million from €2.20 million in H1 2018, driven by a strong increase in the United States, where JAZZ® sales rose 11% to €1.21 million.

Overall, in the first half, Implanet sold 4,561 JAZZ® units across its three geographical regions, up 7% by volume compared to the previous year (2018: 4,270 JAZZ® units).

Improvement in gross margin and EBIT

First-half gross margin rose 8% to €2.18 million, mainly due to the decision to focus on sales of proprietary JAZZ® and MADISON (knee) implants.

As announced, the Company's strict policy for managing operating expenses has driven a significant €874k decrease (-18%) in expenses for the first half. The Company will continue to control its costs during the second half.

Net financial expense for the period was impacted by the cost of bond financing.

Finally, the Company posted a net loss of €1.83 million representing a 34% improvement over the H1 2018 loss of €2.77 million.

Cash

As of June 30th, 2019, cash and cash equivalents stood at €1.06 million (vs. €0.70 million at December 31st, 2018).

During the first half of 2019, the Company reduced its cash burn by 61% to -€1.10 million, from -€2.84 million in first half of 2018.

As previously announced, on April 15th, 2019 the Company signed a €3.0 million convertible bond financing agreement with Nice & Green. In accordance with the schedule published on the same day, Nice & Green will subscribe for the convertible bonds in 12 monthly tranches of €0.25 million each, from May 2019 through April 2020.

In July 2019 the Company also obtained financing from BPI France for a total of €0.55 million.

Recap of first half 2019 clinical, regulatory and business developments

- Signing of strategic partnership with SeaSpine, Inc., a wholly owned subsidiary of SeaSpine Holdings Corporation (NASDAQ: SPNE), to market the JAZZ® range in the USA, the world's biggest market for the treatment of spinal pathologies. This contract, which has an initial term of six years and includes annual minimum payments, significantly increases market access in this region;
- JAZZ Cap® FDA clearance, offering a unique and proprietary solution for securing pedicle screws in poor-quality bone. JAZZ Cap® technology strengthens the offering of JAZZ® products in the USA;
- Successful completion of the first JAZZ Cap® surgical operations in the USA;
- Recording of first orders originating from the partnerships established with Kico Knee and SeaSpine, Inc.

Upcoming conferences attended by Implanet:

- SRS (Scoliosis Research Society), September 18th-20th, 2019, Montreal, Canada
- NASS (North American Spine Society), September 25th-27th, Chicago, USA

On 3rd October 2019, Implanet will participate to **Investir Day**, a dedicated day for private investors and shareholders, at Carrousel du Louvre, 99 Rue de Rivoli, 75001 Paris.

Specific presentation from Implanet at 11 :45 am



Next press release: Q3 2019 revenue, Wednesday October 9th, 2019 after market close

About Implanet

Founded in 2007, Implanet is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its flagship product, the JAZZ® latest-generation implant, aims to treat spinal pathologies requiring vertebral fusion surgery. Implanet's tried-and-tested orthopedic platform, which is based on perfect control over the traceability of its products, provides it with a proven ability to promote this innovation. 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 and the CE mark. Implanet employs 38 staff and recorded 2018 sales of €6.7 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 that the table for monitoring the equity line (OCA, OCAPI, 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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