

IMPLANET specifies the terms of its planned capital increase

- Details regarding the terms for setting the price of the planned capital increase of between €5.5M and €6.4M to take place in January 2024, to be submitted to a vote at the Annual General Meeting on November 16, 2023
- Signing of an amendment to Sanyou Medical's commitment to participate in the planned capital increase
- Sanyou Medical has been granted an exemption from the obligation to file a draft public offering by the AMF

Bordeaux, Boston, October 31st, 2023 – 6.00 pm CET: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in implants for orthopedic surgery and the distribution of technological medical equipment, hereby specifies the terms for setting the price of its upcoming capital increase.

As announced in the [press release of September 28, 2023](#), in the coming months the Company is planning to launch an operation to raise between €5.5 million and €6.6 million (excluding the possible exercise of a maximum 15 % extension option).

This operation would take the form of a capital increase by issue with preferential subscription rights open to all shareholders within the framework of the granting of a new authorization to be sought from shareholders at a General Meeting to be held on November 16, 2023, which will take place in January 2024, once the various conditions precedent have been met.

As a reminder, Shanghai Sanyou Medical Co., Ltd, which holds a 41.03% stake in IMPLANET's capital via its subsidiary Sanyou (HK) International Medical Holding Co., Ltd (together: "Sanyou Medical") had pledged, should such an operation be implemented, to subscribe to the capital increase in cash on an irreducible and reducible basis to the tune of €5 million subject to (i) the approval of Sanyou Medical's Board of Directors, (ii) obtaining a prior waiver from the AMF French stock market authority of the obligation to file a public tender offer (in accordance with the provisions of articles 234-8 and 234-9, 2° of the AMF's General Regulations) in the event of a post-transaction crossing of the 50% capital or voting rights threshold¹ and (iii) the approval of the relevant Chinese government authorities².

Sanyou Medical has also asked to be granted the majority of directorships on the Company's Board of Directors as from the completion of its subscription.

At its meeting of October 27, 2023, IMPLANET's Board of Directors specified the terms for setting the price of the capital increase. The issue price will thus be defined on the basis of a market value that is the lowest of:

² [See press release of September 28, 2023](#)

- IMPLANET's closing share price during the trading session immediately preceding the date of the Company's Board Meeting held to approve the launch the operation; and
- the volume weighted average price (VWAP) over the 20 trading sessions immediately preceding the date of the Company's Board Meeting held to approve the launch the operation.

Moreover, the issue price will be in the following range³:

- a maximum of €0.07 per share; and
- a minimum of €0.04 per share.

Within the framework of an amendment signed on October 27, 2023, Sanyou Medical has confirmed its commitment to participate in the capital increase to the tune of €5.0 million under the price-setting conditions defined above and subject to the same reservations as before, i.e. (i) the approval of Sanyou Medical's Board of Directors, (ii) obtaining a prior waiver from the AMF French stock market authority of the obligation to file a public tender offer (in accordance with the provisions of articles 234-8 and 234-9, 2° of the AMF's General Regulations) in the event of a post-transaction crossing of the 50% capital threshold and (iii) the approval of the relevant Chinese government authorities.

Under these conditions:

- at the top of the range, i.e. €0.07 per share, in the case of a €5.0 million subscription by Sanyou Medical and no public subscription, Sanyou Medical's capital stake could increase to 78.48%. A historical shareholder holding 1% of the undiluted capital would then see his stake diluted to 0.36% of the undiluted capital.
- at the bottom of the range, i.e. €0.04 per share, in the case of a €5.0 million subscription by Sanyou Medical and no public subscription, Sanyou Medical's capital stake could increase to 85.42%. A historical shareholder holding 1% of undiluted capital would then see his or her stake diluted to 0.25% of undiluted capital.

Lastly, on October 31, 2023, the AMF granted Sanyou Medical a waiver of the obligation to file a public tender offer in the event of a post-transaction crossing of the 50% capital threshold under article 234-9, 2° of the AMF's General Regulations "*Subscription to a capital increase by a company in recognised financial difficulty, subject to the approval of a general meeting of its shareholders*".

Documents and information relating to this Extraordinary General Meeting are available to shareholders and accessible on [the Company's website](#), in accordance with applicable legal and regulatory provisions.

Moreover, the Company would like to remind readers that, based on current cashflow assumptions and in the absence of any new sources of funding being obtained (i.e. excluding the financing that will be received from the capital increase), the Company has a cash runway to December 31, 2023 following the drawdown of the first €0.5 million tranche of the short-term financing the Company benefited from in October 2023⁴.

Based on current assumptions regarding activity and anticipated commercial developments with Sanyou Medical, the Company estimates that this capital increase – which is subject to its shareholders' approval at the General Meeting of November 16, 2023 – for a minimum of €5 million would, once implemented, give it financial visibility of over 12 months.

As indicated in its press release of September 28, 2023, this financing will strengthen the Company's financial position, enable it to meet its financial commitments and ensure the commercial development of its medical devices based on three main areas:

³ This range replaces the maximum price of €0.13 indicated previously.

⁴ [See press release of October 11, 2023](#)

- roll out the commercial and technological partnership with Sanyou Medical for the joint development of a new European range of hybrid posterior fixation systems;
- initiate distribution of the JAZZ® platform in China (the world's leading spine market in terms of volume) with Sanyou Medical;
- distribute high-tech medical equipment in Europe, such as the ultrasonic medical scalpel from SMTP Technology Co.

The final terms of the transaction and its timetable will be announced in a forthcoming press release.

Risk factors

The Company draws attention to the other risk factors related to the Company and its activity presented in the Chapter 4 "Risk factors" of the Company's 2017 Reference Document filed with the AMF on April 16, 2018 under number D.18-0337, in the annual financial report of December 31, 2022 and in the half-yearly financial report of June 30, 2023.

At the date of this press release, the share price for the 2023 financial year reached its highest level on April 11, 2023 at €0.2925, and its lowest level on October 19, 2023 at €0.0461. Given the high volatility of the Company's share price on the launch date of this capital increase, this price could be lower than the minimum issue price, i.e. €0.04. In this situation, without prejudging the value of the preferential subscription right ("DPS") during the DPS listing period, the theoretical value of the DPS would be negative and would therefore have to be recorded at zero.

Other main risk factors related to the forthcoming capital increase are presented below:

- the market for preferential subscription rights may offer only limited liquidity and be subject to high volatility;
- shareholders who do not exercise their preferential subscription rights will see their stake in the Company's capital diluted;
- the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued on exercise of the preferential subscription rights;
- in the event of a fall in the market price of the Company's shares, preferential subscription rights could lose their value;
- the Company's shareholders could suffer potentially significant dilution as a result of any future capital increases.

Upcoming financial publication

- **2023 Full-Year Revenue**, on January 23, 2024, after market close

About IMPLANET

Founded in 2007, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery and distributing medical technology equipment. 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. In 2022, IMPLANET entered into a commercial, technological and financial partnership with SANYOU MEDICAL, China's second largest medical device manufacturer. IMPLANET employs 43 staff and recorded a consolidated revenue of €8.0 million in 2022. 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.

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