

IMPLANET announces its 2024 half-year results

- Revenue of €4.1 million in the first half of 2024
- Sales force investment aimed at revitalizing the Company's presence in the United States
- Strict management of operational expenses, including general and administrative costs

Bordeaux, Boston, September 10, 2024 - 05:45 pm CEST: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME), a medical technology company specializing in implants for orthopedic surgery and the distribution of advanced medical equipment, today announced its results for the first half of the current fiscal year, ending June 30, 2024, as approved by the Board of Directors on September 9, 2024.

Ludovic Lastennet, IMPLANET's CEO, stated: *"During the first half of 2024, Implanet continued its transformation, focusing primarily on accelerating its commercial momentum, product innovation, and managing operational expenses. We have thus reinforced our investments in the United States, the world's largest market for spinal implants, to strengthen our commercial foothold there. At the same time, we are maintaining a very active product innovation policy, in close collaboration with our key partner, Sanyou Medical, to solidify our product portfolio across all priority markets. These initiatives have been accompanied by strict control of our operational expenses, which remained stable compared to the same period in 2023. All these factors, combined with the growing diversification of our activities towards the distribution of medical equipment, give us confidence in our ability to return to growth and revitalize our international operations."*

In € thousands – IFRS – Simplified Income Statement	H1 2024	H1 2023	Change %
Revenue	4,117	4,268	-4%
Cost of goods sold	-1,857	-1,805	3%
Gross margin	2,260	2,463	-8%
Gross margin %	54.9%	57.7%	-2.8 bp
Operating costs	-4,573	-4,583	0%
Recurring operating profit/loss	-2,313	-2,119	9%
Other non-recurring operating income and expenses	-8	-89	n.a
Operating profit/loss	-2,321	-2,209	5%
Financial profit/loss	-180	-62	n.a
Income tax	-	-	n.a
Net profit/loss from continuing business	-2,501	-2,270	10%
Net p/l and divestment price of divested business	850	-	n.a
Net result/loss	-1,651	-2,270	-27%

* Unaudited figure

Revenue

The Spine activity recorded revenue of €3.64 million in the first half of 2024, a decrease of 8% compared to the €3.94 million achieved in the first half of 2023.

In France, revenue grew by +16%, reaching €2.07 million in H1 2024, compared to €1.79 million in the same period in 2023. In the United States, revenue was €0.48 million for this period compared to €0.82 million in the first half of 2023. The business remains impacted by the reorganization of the commercial management in this region, initiated in Q4 2023. The export activity in the rest of the world recorded revenue of €1.09 million in H1 2024, compared to €1.33 million in the same period the previous year. This decline is mainly due to a slowdown observed in Europe (-40%) and South America (-30%).

The Company is also continuing the deployment of its medical equipment distribution activity, ensuring the commercialization in France of the ultrasonic scalpel by SMTP, a subsidiary of Sanyou Medical. Revenue generated from this activity in the first half of 2024 was €0.46 million, almost doubling (+81%) compared to the €0.25 million recorded in the same period the previous year.

In total, Implanet achieved revenue of €4.1 million in the first half of 2024, a decrease of 4% compared to the first half of 2023.

Gross Margin and Operating Result

The gross margin was €2.26 million in H1 2024, compared to €2.46 million in the same period in 2023, a decrease of about 8%. This decline is primarily due to the drop in revenue and the product mix evolution during the period. The acceleration of the commercialization of SMTP's medical equipment range impacted the margin rate, which decreased from 57.7% to 54.9% between H1 2023 and H1 2024.

In parallel, following the appointment of Max W. Painter as Vice President and General Manager of Implanet's U.S. subsidiary and the FDA clearance of the innovative Jazz Spinal System™ hybrid posterior fixation system, resulting from the combined expertise of Implanet and Sanyou Medical's R&D teams, the Company accelerated its sales and marketing investment policy, increasing by €0.29 million compared to H1 2023. These investments were offset by strict control of other operational expenses, particularly general and administrative costs. As a result, the Company's operating expenses remained stable compared to H1 2023.

Consequently, the current operating loss increased by 9%, amounting to -€2.32 million in H1 2024, compared to -€2.12 million in H1 2023.

Taking into account these factors, non-recurring exceptional expenses of €0.01 million, and the financial result of -€0.18 million (including the cost of bond financing signed at the end of 2023), the net result from continuing operations was -€2.50 million in H1 2024, compared to -€2.27 million in H1 2023.

Finally, within the context of the sale of the MADISON™ business to SERF, the Company recorded an additional sale price of €0.85 million in H1 2024, which was dependent on the acquirer obtaining regulatory approval.

Considering these elements, the net result amounted to -€1.65 million in H1 2024, compared to -€2.27 million in H1 2023.

Cash Position

As of June 30, 2024, Implanet had cash reserves of €1.14 million.

The balance payment for the sale of the MADISON™ business, amounting to €0.85 million, is expected to be €0.68 million during Q3 2024 and €0.17 million during the first half of 2025.

The Company is also exploring the implementation of payment facilities with the Sanyou Medical group.

Considering these factors and the projected cash consumption based on current activity assumptions and anticipated commercial developments with Sanyou Medical for fiscal years 2024 and 2025, the Company believes it can cover its operational financing needs for the next twelve months.

Key Events in the First Half of 2024

- ✓ Successful completion of the capital increase announced on January 4, 2024, raising €5.5 million through the issuance of 83,924,897 new shares;
- ✓ Appointment of Max W. Painter as Vice President and General Manager of IMPLANET's US subsidiary;
- ✓ FDA clearance of the new Jazz Spinal System™ hybrid posterior fixation range in the United States.

2024 Strategy and Outlook

- ❖ Finalize the registration of existing products within the framework of the European Medical Device Regulation (MDR).
- ❖ Reinvigorate the Company's presence in the United States:
 - Strengthen the resources and commercial means available to the historical team;
 - Strengthen the Company's direct approach by expanding the scientific team of opinion leaders;
- ❖ Strengthen market momentum and the product offering:
 - Deploy the commercial and technological partnership with Sanyou Medical to jointly develop an innovative new European range of hybrid posterior fixation;
 - Initiate the distribution of the JAZZ® platform in China (the world's largest spine market by volume) with Sanyou Medical;
 - Distribute technological medical equipment in Europe, such as the ultrasound surgical scalpel from SMTP Technology Co.

Upcoming financial event:

- **2024 third-quarter Q3 2024 revenue** on October 8, 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 €7.4 million in 2023. 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.

Contacts

IMPLANET

Ludovic Lastennet, CEO
David Dieumegard, CFO
Tél. : +33 (0)5 57 99 55 55
investors@Implanet.com

NewCap

Investor Relations
Nicolas Fossiez
Tél.: +33 (0)1 44 71 94 94
Implanet@newcap.eu

NewCap

Media Relations
Arthur Rouillé
Tél.: +33 (0)1 44 71 94 94
Implanet@newcap.eu