

## IMPLANET reports its 2022 financial results

- 33% gross margin improvement to €5 million
- 15% operating loss reduction
- 23% improvement in the net result
- Sanyou Medical increases its stake in Implanet to 43.14% via the exercise of all its warrants at €0.32 per share

**Bordeaux, Boston, March 7, 2023 - 6:00 pm CET:** IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in vertebral implants and the distribution of technological medical equipment, announces its results for the financial year to December 31, 2022, approved by the Board of Directors on March 7, 2023.

**Ludovic Lastennet, IMPLANET’s Chief Executive Officer,** stated: *“True to the commitments we set, in 2022 we continued our cost control policy while maintaining our R&D investment capacity. These ongoing efforts, combined with the effects of the reorganization implemented in 2021, have resulted in a substantial improvement in revenue and results. Furthermore, the strategic partnership signed with Sanyou Medical in June 2022 is opening up new commercial prospects in China while expanding our range of products for treating spine disorders. Building on this commercial, technological and financial partnership, in 2023 we intend to continue this positive momentum and further our position as a key player in spine surgery”.*

### Income statement

<i>In € thousands – Consolidated accounts, IFRS</i>	2022	2021	Change
<b>Revenue</b>	<b>8,028</b>	<b>6,140</b>	<b>+31%</b>
Cost of goods sold	-3,067	-2,420	+27%
<b>Gross margin</b>	<b>4,961</b>	<b>3,721</b>	<b>+33%</b>
<i>Gross margin %</i>	61.8%	60.6%	
Operating costs	-8,930	-8,040	+11%
<b>Operating profit/loss</b>	<b>-3,968</b>	<b>-4,642</b>	<b>-15%</b>
Financial profit/loss	428	46	+838%
Net profit/loss from continuing business	-3,540	-4,597	-23%
Net p/l and divestment price of divested business	-	1,509	-
<b>Net result</b>	<b>-3,540</b>	<b>-3,088</b>	<b>+15%</b>

## **2022 annual revenue**

Activity increased by 31% in 2022, with revenue totaling €8.03 million vs. €6.14 million in 2021. This performance was due to both the organic growth in JAZZ activity (+31% in unit terms and +24% in value terms) and the effect of the OSD acquisition, which represented €2.89 million over 2022 as a whole compared with €2.04 million from the date of the acquisition in May 2021 the previous year.

In France, activity grew by 23%, from €2.71 million in 2021 to €3.33 million in 2022.

In the United States, activity increased by 16% thanks to +17% observed in the third quarter and +181% in the fourth quarter. Revenue generated in the United States thus totaled €1.67 million in 2022 compared with €1.44 in 2021.

In the Rest of the World, export activity was multiplied by 1.5, with revenue rising from €1.95 million in 2021 to €2.94 million in 2022.

## **Improvement in the gross margin and the net result from continuing business**

The gross margin improved by 33% between 2021 and 2022, from €3.72 million to €4.96 million. The gross margin as a percentage also improved over the period, to €61.8% in 2022 from 60.6% in 2021.

Operating costs increased by €0.89 million in 2022, notably as a result of €0.61 million in operating expenses associated with OSD's activity (as a reminder, FY 2021 only included OSD's operating expenses from May 19, 2021 onwards).

Over the period, Implanet continued its policy of investing in quality control and regulatory affairs in order to secure the renewal of its marking and marketing approvals for its implants under the new European Medical Device Regulation (MDR).

There was a 15% reduction in the operating loss, to €3.97 million in 2022 versus €4.64 million in 2021.

Taking into account these various elements and the financial result of +€0.43 million, the net result from continuing business was -€3.54 million in 2022 versus -€4.60 million in 2021, an improvement of 23%.

In 2021, Implanet had recorded a net result and divestment price of divested business of €1.51 million, essentially corresponding to the net income from the divestment of the MADISON™ business. No price supplements resulting from regulatory approvals or sales generated with partner KiCo (which could total €1.35 million) were booked in 2022.

Consequently, the net loss was -€3.54 million in 2022 versus -€3.09 million in 2021.

Lastly, the Company would like to reiterate its commitment to continued cost control and to complete the reorganization of operations with its new OSD subsidiary in 2023.

## **Exercise of share subscription warrants on March 6, 2023**

As indicated in the [press release of October 26, 2022](#), on March 2, 2023, Sanyou Medical exercised the 8,928,568 warrants it held for an amount of €2.50 million, enabling it to subscribe to 7,812,497 new Implanet shares at a price of €0.32 per share.

Over the period from October 24, 2022 to March 6, 2023, 8,977,072 share subscription warrants were exercised for a total of €2.51 million, resulting in the creation of 7,854,938 new shares at an exercise price of €0.32 per share, representing 90.9% of all the warrants issued within the framework of the operation carried out in October 2022. Warrants not exercised by midnight on March 31, 2023 will expire.

Following this exercise, Sanyou Medical holds, as it had pledged, 43.14% of Implanet's share capital.

### Cash position

At December 31, 2022, Implanet had a cash position of €0.53 million.

As indicated above, the Company received a total amount of €2.50 million from the exercise of the warrants on March 6, 2023. As a reminder, the payment of the balance of the MADISON™ business, totaling €2.30 million, is spread over time depending on the achievement of regulatory milestones relating to CE marking, with €1.45 million of this figure expected to be received during the first half of 2023.

These funds will be allocated to the commercial development of the JAZZ® range in China, the finalization of the comprehensive new range of ORION hybrid fixations initiated with Sanyou Medical and the commercial deployment of the ultrasound surgical scalpel developed by SMTP Technology Co, a Sanyou Medical subsidiary.

Given these elements, the Company considers that it has the means to cover its expected business financing requirements through to the end of 2023.

### Key 2022 highlights

- ✓ First surgeries in the United States with JAZZ™ PF, an innovative solution from the JAZZ® line.
- ✓ First surgeries in the United States with the ORIGIN cervical spine plate, marking the first successful synergies with OSD products.
- ✓ Signing of a commercial, technological and financial partnership with Sanyou Medical, the second largest Chinese manufacturer of medical devices for spine surgery:
  - distribution agreement for Implanet's JAZZ® platform in China, the world's largest spine surgery market (by volume);
  - technological partnership: joint development of a brand-new European range of hybrid fastening system;
  - financial partnership: rights issue through the issuance of shares with warrants attached ('ABSA'), guaranteed to the tune of €5.0 million by partner Sanyou Medical.
- ✓ Success of the rights issue for a total of €2.77 million, including €2.5 million subscribed by Sanyou Medical.
- ✓ Finalization of the distribution agreement in China for Implanet's JAZZ® platform and a technological partnership to develop a new product range.
- ✓ Signing of an exclusive distribution contract for France regarding SMTP Technology Co.'s ultrasound surgical scalpel.

## 2023 strategy and outlook

- ❖ Finalize the registration of existing products within the framework of the new European Medical Device Regulation (MDR).
- ❖ Reinvalidate the Company's presence in the United States:
  - strengthen the resources and commercial means made available to the historical team;
  - strengthen the Company's direct approach by expanding our scientific team of thought leaders;
  - successfully register two product ranges resulting from the OSD acquisition (Squale and Origin) with the FDA.
- ❖ Strengthen market momentum and the product offering:
  - continue developing our existing strategic partnerships in the United States (SeaSpine) and Germany (Ulrich Medical®);
  - 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 SMTP Technology Co.'s ultrasound surgical scalpel.

The 2022 annual financial report will be available from March 23, 2023 on the Company's website.

## Upcoming financial press release

- **2023 First-Quarter Revenue**, on April 25, 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 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).

## **Contacts**

### **IMPLANET**

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

### **NewCap**

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

### **NewCap**

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