

IMPLANET signs an agreement with Sanyou Medical for a proposed capital increase with preferential subscription rights

- Proposed capital increase with preferential subscription rights, to be carried out in January 2024 to strengthen IMPLANET's equity capital and enable business development, subject to a vote at a General Meeting to be held at the end of 2023
- Commitment by Sanyou Medical to contribute €5.0 million to this transaction under the usual conditions
- Request by Sanyou Medical to the AMF for an exemption from the obligation to file a draft public offering

Bordeaux, Boston, September 28, 2023 – 8:10 am CEST: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME plans), a medical technology company specializing in vertebral implants for orthopedic surgery and the distribution of technological medical equipment, announced the conclusion of an agreement with Sanyou Medical, its reference shareholder, concerning its participation in an capital increase for a total of €5 million to strengthen Implanet's capital and enable the commercial development of its medical devices.

Ludovic Lastennet, IMPLANET's CEO, stated: *"I am delighted to announce the signing of this agreement with Sanyou Medical, our reference shareholder, for the provision of €5 million in financing. This agreement testifies to our partner's confidence, and is in line with our commercial agreements and joint product development."*

The Company plans to raise between €5.5 million and €6.4 million over the next few months (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 at a maximum unit price of €0.13, in connection with a new authorization to be sought from shareholders in November 2023 at the close of a General Meeting convened for this purpose.

Sanyou Medical, which holds a 41.03% stake in IMPLANET's capital, committed itself, in the context of the implementation of such a transaction, to subscribe to the capital increase in cash, on an irreducible and reducible basis, subject to (i) the agreement of Sanyou's Board of Directors, (ii) obtaining a waiver from the Autorité des Marchés Financiers (AMF) of the obligation to file a public tender offer (in accordance with provisions 234-8 and 234-9, 2° of the AMF 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.

Depending on the level of IMPLANET shareholder participation, Sanyou Medical could be required to exceed the threshold of 50% of IMPLANET's capital and voting rights, i.e. the threshold triggering a mandatory tender offer.

In case of a subscription of €5 million by Sanyou Medical, i.e. 78% of a proposed total transaction of €6.4 million, Sanyou Medical's percentage holding would increase to 61.25%¹.

Assuming a subscription of €5 million by Sanyou Medical, i.e. 90% of a proposed total transaction of €5.5 million, Sanyou Medical's percentage holding would increase to 66.05%² of IMPLANET's capital.

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

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

Sanyou Medical intends to file a request for exemption from a public offer on the basis of article 234-9 2° of the general regulations of the Autorité des Marchés Financiers (the "AMF") concerning the completion of a capital increase, subject to the approval of the General Meeting, in response to the Company's financial difficulties.

IMPLANET's current cash position is not sufficient to finance its activities over the next twelve months, and in particular the continuing development of the Sanyou Medical project, given the Company's current operational development plan (see 2023 half-year results press release).

In addition, as this capital increase will take several months to complete, the Company is actively seeking "bridge" financing (see 2023 half-year results press release).

On the basis of current business assumptions and anticipated commercial developments with Sanyou Medical, the Company estimates that this capital increase, for a minimum amount of €5.5 million, would give it financial visibility of over 12 months once completed.

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 in three main areas:

- deploy 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 by volume) with Sanyou Medical;
- distribute high-tech medical equipment in Europe, such as the ultrasonic medical scalpel from SMTP Technology Co.

Risk factors

The Company draws attention to the other risk factors relating to the Company and its business set out in Chapter 4 "Risk factors" of the Company's 2017 Reference Document filed with the AMF on April 16, 2018, under number D.18-0337, as well as in the annual financial report for December 31, 2022.

¹ Calculation based on the following assumptions: (i) a proposed global transaction of €6.4 million and (ii) a subscription price of €0.13.

² Calculation based on the following assumptions: (i) a proposed global transaction of €5.5 million and (ii) a subscription price of €0.13.

About Sanyou Medical

Founded in 2005, Shanghai Sanyou Medical Co, Ltd. is a company dedicated to the R&D, manufacturing and sales of innovative and independent orthopedic products. The main products of Shanghai Sanyou are spinal and trauma implants. Shanghai Sanyou is one of the few companies with the ability to make original innovations based on clinical requirements in the field of spinal implants in China.

The Company has established a complete product development system with world-class R&D equipment and project management systems to ensure that its products are advanced, effective and reliable. By the end of 2021, the company had 27 registration certificates for Class III medical devices and 395 patents registered including 61 in inventions, 214 in utility models, 116 in designs and 4 in software copyrights.

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.

Disclaimer

This press release contains forward-looking statements about Implanet and its business. Implanet believes that these forward-looking statements are based on reasonable assumptions. However, no assurance can be given that the forecasts expressed in these forward-looking statements will materialize, as they are subject to risks, including those described in Implanet's reference document filed with the Autorité des marchés financiers (AMF) on April 16, 2018 under number D.18-0337 and in the annual financial report for December 31, 2022, which are available on the Company's website (www.implanet-invest.com), and to changes in economic conditions, financial markets and the markets in which Implanet operates. The forward-looking statements contained in this press release are also subject to risks that are unknown to Implanet or that Implanet does not currently consider material. The occurrence of some or all of these risks could cause Implanet's actual results, financial condition, performance or achievements to differ materially from those expressed in the forward-looking statements. This press release is for information purposes only and does not and shall not under any circumstances constitute an offer to sell or subscribe, or the solicitation of an order to buy or subscribe, Implanet securities in any country.

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