

Implanet announces the success of its capital increase

- Fundraising of €5.5 million through the issue of 83,924,897 New Shares
- Sanyou (HK) International Medical Holding Co., limited strengthens its stake and now owns 74.56% of the capital and voting rights of the Company

Bordeaux, Boston, February 2, 2024 – 6:00 pm CET: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), (the “**Company**”), a medical technology company specialized in implants for orthopedic surgery and the distribution of technological medical equipment, announces the success of the capital increase in cash with preferential subscription rights for shareholders announced on January 4, 2024 (the “**Capital Increase**”). This operation raised €5.5 million through the issue of 83,924,897 new shares (“**New Shares**”) at a unit price of €0.0655, corresponding to the closing price on January 3, 2024 (€0.0655), prior to the setting of the issue price by Implanet's Board of Directors.

The gross income from the Capital Increase, which amounts to €5.5 million, will enable the Company, in accordance with the press release of January 4, 2024, to:

- Ensure the financing of the Company's anticipated cash requirements over the next 12 months (the financial resources available to the Company, at the date of this press release, do not cover its forecast 12-month requirements) and to meet its financial commitments. Based on current business assumptions and anticipated commercial developments with Sanyou Medical, the Company estimates that the net proceeds of the current issue of €5.3 million will provide it with a financial visibility of more than 12 months¹ ;
- Ensure the commercial development of the Company's medical devices around three main axes:
 - 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 largest spine market by volume) with Sanyou Medical;
 - distribute high-tech medical equipment in Europe, such as the ultrasonic medical scalpel from SMTP Technology Co.

¹ The Company reminds that the interim financing in the form of dry bonds from which it benefited in October 2023, subject to two tranches, representing a nominal amount of €1,300,000, subscribed at 77% of the nominal value of the bond, will have to be repaid at the latest within five business days following the completion of the Capital Increase ([press release of October 11, 2023](#)).

Results of the Capital Increase with preferential subscription rights for shareholders

The Capital Increase was the subject of a global demand of 83,924,897 New Shares at a unit price of €0.0655, with a ratio of 19 New Shares for 8 existing shares held, for a total requested amount of €5,497,080.75, representing 86.10 % of the amount of the initial offer (€6,384,842.536).

Subscriptions are distributed this way:

- 46,086,780 New Shares on an irreducible basis, representing 54.91 of the issued New Shares;
- 36,632,431 New Shares on a reducible basis, representing 43.65 % of the issued New Shares. The service rate for reducible applications is 100%;
- 1,205,686 New Shares on a voluntary basis.

In accordance with its subscription commitment and following the approval of the Chinese authorities on December 28, 2023, Sanyou Medical, which held 16,841,069 Implanet shares (representing 41.03% of the share capital), subscribed for 39,997,527 New Shares on an irreducible basis and 36,338,350 New Shares on a reducible basis for a total amount of €4,999,999.9435, representing a total of 76,335,877 New Shares (or 90.96% of the New Shares issued).

Sanyou Medical's subscription was fully subscribed.

Following the operation, Sanyou Medical now holds 74.56% of Implanet's capital and voting rights.

Sanyou Medical will thus cross the threshold of 50% of the Company's capital and voting rights, which is the threshold required to launch a mandatory tender offer.

As a reminder, Sanyou Medical obtained a waiver from the Autorité des Marchés Financiers (AMF) from the obligation to file a mandatory tender offer if its share capital exceeds 50%, post-operation based on article 234-9 paragraph 2 of the AMF's general regulations ("Subscription to the capital increase of a company in financial difficulty, subject to approval by the general meeting of its shareholders").

Sanyou Medical also requested to benefit from the majority of directorships on the Company's Board of Directors as from the completion of the Capital Increase.

Finally, the stake of a shareholder who held 1% of the Company's capital prior to the Capital Increase and who did not subscribe to it has been reduced to 0.328%.

Settlement-delivery of the New Shares

Following settlement-delivery on February 6, 2024, Implanet's share capital will amount to €1,249,684.84, comprising 124,968,484 shares with a par value of €0.01 each.

Application will be made for the New Shares to be admitted to trading on Euronext Growth in Paris on the same day, on the same quotation line as the existing shares (ISIN code FR0013470168 – ticker ALIMP).

Impact of the Capital Increase on the shareholder structure

The following table shows the breakdown of share capital after completion of the Capital Increase:

	After the operation	
	Number of shares	% of capital and voting rights (non-diluted basis)
Founders and historical investors	4,316	0.00%
Sanyou (HK) International Medical Holding CO Limited	93,176,946	74.56%
Other financial investors	2,623,966	2.10%
Corporate officers, employees and consultants	571,159	0.46%
Other individual shareholders	681,969	0.55%
Floating	27,910,128	22.33%
Total	124,968,484	100.00%

Impact of the issue on the shareholder's situation

Impact of the issue on shareholders' equity per share (calculated on the basis of consolidated shareholders' equity (Group share) as shown in the financial statements as of June 30, 2023, excluding interim losses, and on the basis of the 41,043,587 shares comprising the Company's share capital at that date) would be as follows:

Equity per share (in euros)		
	Non-diluted basis*	Diluted basis for the exercise of all existing instruments**
Before issuance of the New Shares resulting from this Capital Increase	0.1041	0.1418
After the issue of 83,924,897 New Shares resulting from this Capital Increase	0.0782	0.0907

*: Consolidated shareholders' equity amounted to €4,273,000 as of June 30, 2023.

The stake of a shareholder who held 1% of the Company's capital prior to the Capital Increase and who did not subscribe to it is as follows:

Shareholder stake (in %)		
	Non-diluted basis	Diluted basis for the exercise of all existing instruments**
Before issuance of the New Shares resulting from this Capital Increase	1.000	0.994
After the issue of 83,924,897 New Shares resulting from this Capital Increase	0.328	0.328

** : In the event of the exercise of all outstanding warrants, BSPCE and share subscription options, whether exercisable or not, i.e. 1,581,627 BSPCE, 136,000 share subscription options and 506,898 warrants, the exercise of which would lead to the creation of 254,907 new shares.

Reminder of the other terms of the Capital Increase

In accordance with the provisions of Articles L.411-2-1 ,1° of the French Monetary and Financial Code and 211-2 of the General Regulations of the Autorité des Marchés Financiers (AMF), the present issue will not give rise to a Prospectus approved by the AMF, as it represents a total offering of less than €8,000,000, it being specified that no similar offer has been made by the Company over the past twelve months.

The offer was made on the basis of the 1st and 2nd resolutions adopted by the Extraordinary General Meeting on November 16, 2023, and by the Board of Directors of Implanet on January 4, 2024, which decided on the principle of the Capital Increase with preferential subscription rights and its implementation.

A notice to shareholders concerning this operation will be published on January 12, 2024, in the Bulletin des Annonces Légales et Obligatoires (BALO).

Resumption of the option to exercise the right to receive shares in the Company

The rights of holders of stock options, business creator share subscription warrants and share subscription warrants allocated or issued by the Company, which had been suspended by decision of the Board of Directors on February 4, 2024 from January 12, 2024 (0:01 a.m., Paris time) until and including the date of settlement-delivery of the New Shares, will be restored as from the date of settlement-delivery of the New Shares, i.e. February 6, 2024 (11:59 p.m., Paris time).

The rights of holders of stock options, warrants and warrants allocated or issued by the Company who have not exercised their right to the allocation of shares in the Company by January 12, 2024 (00:00 Paris time) will be preserved in accordance with legal and regulatory provisions.

Risk factors

The Company draws attention to the 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, in the full-year financial report on December 31, 2022 and in the half-yearly financial report on June 30, 2023.

As of December 31, 2023, the Company had cash of €0.25 million. Based on current cash forecasts, the Company points out that this level of cash will enable it to be financed until February 2024. Based on current business assumptions and anticipated commercial developments with Sanyou Medical, the Company estimates that the net proceeds of the current Capital Increase of €5.3 million will give it financial visibility of more than 12 months.

The other main risk factors relating to the forthcoming capital increase are set out below:

- the volatility and liquidity of the Company's shares could fluctuate significantly;
- sales of the Company's shares could occur on the market and adversely affect the Company's share price;
- following the Capital Increase, the Company's main shareholder holds 74.56% of the Company's capital and voting rights;
- the Company's shareholders could suffer potentially significant dilution as a result of any future capital increases.

Partners of the operation

Atout Capital

Advisor for this operation

Bird&Bird

Legal advisor

Upcoming financial publication

- **2023 Full-Year Results**, on March 5, 2024, after market

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 January 2021, Shanghai Sanyou Medical had received 22 Class III medical device registration certificates and 131 patents, including 28 Chinese invention patents, 98 Chinese utility model patents, 1 US utility patent, 1 Australian invention patent, 1 Japanese invention patent, 1 German utility model patent and 1 Chinese design patent.

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.

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