

IMPLANET announces its 3rd-quarter and 9-month revenue to September 30, 2023

- Proposed capital increase with preferential subscription rights to be carried out in January 2024 and put to a vote at an Extraordinary General Meeting to be held on November 16, 2023

Bordeaux, Boston, October 17, 2023 – 6:00 pm CEST: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME plans), a medical technology company specializing in implants for orthopedic surgery and the distribution of technological medical equipment, today announces its revenue for the third quarter of 2023 and the first nine months to September 30, 2023.

Ludovic Lastennet, IMPLANET's Chief Executive Officer, said: *"Our third-quarter revenue was significantly impacted by the under-performance recorded abroad. Faced with an economic environment that remains complex, one of our priority objectives for the next 12 months is to reinvigorate our presence in the United States, a key market for our industry, notably by strengthening our sales teams and by obtaining FDA clearance for new products resulting from our Origin™ range and our partnership with Sanyou Medical and its subsidiary SMTP. Regarding our export activity, we are also intending to capitalize on our existing partnerships, and notably our strategic alliance with Sanyou Medical and SMTP. We are eager to initiate the distribution of our JAZZ® platform in China, which is subject to the Chinese authorities' approval. This new territory should be a major future growth driver for Implanet. Alongside our strategic partnership, we are planning to continue our commercial development and our proactive investment policy to establish IMPLANET as a key player in the field of spine surgery. It is with this in mind that we would like to invite you to attend the Extraordinary General Meeting of November 16, the aim of which will be to approve the resolutions enabling the launch of a capital increase with preferential subscription rights, an operation our main shareholder intends to extensively contribute to"*.

Third quarter of 2023

In € thousands – IFRS ²	2023	2022	Change %
France	729	691	+5%
United States	228	476	-52%
Rest of the world	562	696	-19%
Spine revenue	1,518	1,863	-18%
Medical equipment (SMTP)	28	0	-
Services (MADISON)	-10	-1	
Total third-quarter revenue	1,537	1,862	-17%

¹ Sanyou Medical has pledged to subscribe to this capital increase in cash, on an irreducible and reducible basis, at a maximum price of €0.13, up to a maximum of €5 million, subject to (i) the approval of Sanyou Medical's Board of Directors, (ii) obtaining prior approval from the Autorité des Marchés Financiers (AMF) for a waiver regarding the obligation to file a public tender offer (in accordance with the provisions of articles 234-8 and 234-9, 2° of the AMF General Regulations) in the event of a post-transaction crossing of the 50% capital or voting rights threshold and (iii) the approval of the relevant Chinese government authorities.

² Unaudited figures

Spine activity generated sales of €1.52 million in the third quarter of 2023, down 18% compared with the revenue of €1.86 million recorded in the same quarter of 2022.

Activity in France grew by 5%, with revenue of €0.73 million in the third quarter of 2023 versus €0.69 million a year earlier. In contrast, as mentioned at the time of the [2023 Half-Year Results announcement](#), in the United States the Company recorded revenue of €0.23 million in the third quarter of 2023 versus €0.48 million in 2022, a 52% decrease in activity. This decrease was notably a result of the lack of sales within the framework of the partnership with SeaSpine (which generated €93 thousand in the third quarter of 2022). Export activity in the rest of the world recorded revenue of €0.56 million in the third quarter of 2023 versus €0.70 million in the same period of 2022, a decrease of 19%.

The Company is also continuing the rollout of its medical equipment distribution activity with Sanyou Medical subsidiary SMTP's ultrasound surgical scalpel. The revenue generated by this activity in the third quarter of 2023 was €0.03 million.

First nine months of 2023

<i>In € thousands – IFRS³</i>	2023	2022	Change %
Total first-quarter revenue	2,208	2,016	+10%
Total second-quarter revenue	2,060	2,096	-2%
Total third-quarter revenue	1,537	1,862	-17%
Total nine-month			
France	2,516	2,492	+1%
United States	1,046	1,278	-18%
Rest of the world	1,896	2,183	-13%
Spine revenue	5,459	5,952	-8%
Medical equipment (SMTP)	279		-
Services (MADISON)	68	21	-
Total nine-month revenue	5,806	5,974	-3%

Altogether over the first nine months of 2023, the Company recorded revenue of €5.81 million, compared with €5.97 million over the same period of 2022.

Spine activity generated revenue of €5.46 million in the first nine months of 2023, versus €5.95 million in 2022. Activity was stable in France, with revenue totaling €2.52 million. Over the same period, activity in the United States generated revenue of €1.05 million, compared with €1.28 million the previous year (-18%), as a result of this under-performance in the third quarter of 2023. Export activity in the rest of the world also fell over the period, by 13%, totaling €1.90 million in the first nine months of 2023 compared with €2.18 million in 2022.

The medical equipment distribution activity generated €0.28 million over the first nine months of 2023.

Cash position

As of September 30, 2023, the Company's cash position stood at €0.43 million⁴.

³ Unaudited figures

⁴ This amount does not include the drawdown of the first €0.5 million tranche of short-term financing granted to the Company in October 2023.

Implanet's cash position not being sufficient in view of its current operational development plan to finance business over the coming twelve months, and in particular the needs associated with the continued development of the Sanyou Medical project ([see the 2023 half-year results publication](#)), the Company is planning to launch a capital increase with preferential subscription rights that should take place in January 2024 for an amount between €5.5 million and €6.4 million (excluding the possible exercise of a maximum 15% extension option).

Based on 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.

As the capital increase will take several months to complete (time required to hold the General Meeting convened for November 16, time required to obtain a waiver regarding the requirement to file a public tender offer and time required to obtain the approval of the relevant Chinese government authorities), the Company has been actively looking into several short-term financing options to enable it to meet its cash requirements until the implementation of this capital increase, favoring non-dilutive financing in the form of non-convertible bonds.

The Company's Board of Directors, at its meeting of October 9, 2023, therefore authorized short-term financing of up to €1.3 million nominal in non-convertible bonds through two investors who are not shareholders in the Company⁵. These non-convertible bonds, subscribed in cash for €1.0 million via the issuance of 260 bonds with a nominal value of €5,000 subscribed at 77% of the bond's nominal value, are subject to two tranches each representing a nominal amount of €0.65 million subscribed at 77% of the par value through the issuance of 130 bonds per tranche. The Company received the sum of €0.5 million corresponding to the first tranche drawdown on October 9, 2023.

On the basis of current cash forecasts and in the absence of any new sources of financing being obtained, the drawdown of the first tranche enables the Company to be financed through to December 31, 2023.

Reminder of 2023 highlights

- ✓ Commercial launch of the SMTP (Sanyou Medical subsidiary) ultrasound scalpel in March 2023;
- ✓ FDA clearance of the Squale™ range of anterior cervical cages the United States;
- ✓ Commercial launch in Europe of the MIS range, a minimally invasive pedicle screw positioning system;
- ✓ Proposed capital increase with preferential subscription rights to be carried out in January 2024 to strengthen the Company's capital and enable its commercial development, to be voted on at an Extraordinary General Meeting scheduled for November 16, 2023.

Upcoming financial publication

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

⁵ This financing is not subject to any other related agreements, nor to any guarantees or security interests in respect of the bond subscribers. Penalties in the event of default will be applied in the form of (i) interest at a rate of 15% from the date of default and (ii) the issuance of Equitization Warrants until repayment of the outstanding debt. In such a case, the issuance of these "Equitization" warrants will be the subject of a detailed press release.

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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