

## Implanet: 2013 annual results

- Revenue growth at constant scope: +10.4%
  - Buoyant increase in JAZZ sales
- Significant improvement in the margin
  - Structural costs under control

**Paris, 18 March 2014** – IMPLANET (Euronext: IMPL, FR0010458729), a medical technology company specializing in vertebral and knee-surgery implants, announces its annual results for the year to 31 December 2013.

<i>In € thousands - IFRS</i>	<b>2013</b>	2012	$\Delta$
<b>Revenue</b>	<b>6,690</b>	6,647	+0.6%
Cost of products sold	- 3,103	-3,507	
<b>Margin on products sold</b>	<b>3,587</b>	3,140	+14.2%
<i>Margin %</i>	53.6%	47.2%	
Amortization of ancillary products	-1 077	-959	
<b>Gross margin</b>	<b>2,510</b>	2,181	+15.1%
<i>Gross margin %</i>	37.5%	32.8%	
<i>Research &amp; Development</i>	-930	-490	
<i>Regulatory matters, Quality control</i>	-1,002	-451	
<i>Sales, distribution, marketing</i>	-2,216	-2,662	
<i>Operating costs</i>	-2,402	-795	
<i>General costs</i>	-2,457	-1,930	
<b>Operating P/L</b>	<b>-6,496</b>	<b>-4,147</b>	
Pre-tax P/L	-6,843	-4,277	
<b>Net P/L</b>	<b>-6,843</b>	<b>-4,277</b>	

### 2013 annual revenue: buoyant growth in Spine activity

In 2013, Implanet recorded revenue of €6,690 thousand, including €2,314 thousand of international sales (35% of total sales). At constant scope, revenue growth was +10.4% compared with 2012, which included €241 thousand in items rebilled to GHX and €350 thousand in revenue associated with the change in the distribution model. This performance reflects the initial results of the change in the business model towards Spine activity (JAZZ), combined with the successful migration to an indirect sales model in general Orthopedics.

### Significant improvement in the margin

The margin on products sold was 53.6% of revenue in 2013 (+6.4 points). This improvement was the result of the increase in sales of products with higher value added and of the optimization of procurement and production costs. As part of its strategy to refocus its business on high value-added products, the Company has also decided to abandon its Hip activity, thus generating an exceptional provision on the implant inventory, the effect of which is recorded under operating costs for €0.8 million.

## Structural costs under tight control

The Company controlled its structural costs throughout 2013, the difference in the operating loss essentially being due to the capitalization, in 2012, of R&D, costs and spending associated with Regulatory matters and Quality control and the effect of the decision to withdraw from Hip activity. Apart from these elements, the increase in Operating costs and general costs reflects the deployment of the Company's business model.

Once these elements are taken into account, Implanet recorded an operating loss of -€6,496 thousand in 2013, affected by non-recurrent elements, compared with -€4,147 thousand in 2012. The 2013 net loss came to -€6,843 thousand, versus -€4,277 thousand in 2012.

Once integrated into accounts, the revenue resulting from the capital increase carried out within the framework of the Company's IPO totaled €13.7 million at 31 December 2013, split between cash and cash equivalents (€2,966 thousand), marketable securities (€2,001 thousand) and financial assets (€8,807 thousand).

## Achievements and key events: acceleration in commercial deployment

In accordance with the plan presented at the time of the Company's IPO, Implanet has accelerated its development through the signing of an exclusive distribution agreement in Germany, the extension of its network of sales agents in the United States to two new partners (for the South and East of the country) and the appointment of a Sales Director and a Marketing and Training Director.

Ludovic Lastennet, CEO of Implanet, says: *"We are particularly pleased with the performances recorded in 2013, a year of in-depth transformation on every operational level. We were able to refocus Implanet's business and strategic model on the acceleration in the development of JAZZ whilst capitalizing on our historical field of expertise in orthopedic implants for knee surgery. We now have an optimized structure that represents a solid foundation for our future growth, the necessary means thanks to our IPO along with the strict management of our working capital requirements to resolutely continue our development in 2014."*

**Next financial press release: Q1 2014 revenue, on 28 April 2014**

### About IMPLANET

Founded in 2007 and based near Bordeaux, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its flagship product, the JAZZ latest-generation implant, aims to improve the treatment of spinal pathologies requiring vertebral fusion surgery. IMPLANET's proven orthopedic platform, based on perfectly controlling the traceability of its products, gives the Company the proven ability to enhance this innovation. Protected by four families of international patents, JAZZ has obtained 510(k) regulatory approval from the Food and Drug Administration (FDA) in the United States and the CE mark. IMPLANET employs 33 staff and recorded 2013 sales of €6.7 million.

For further information, please visit [www.implanet.com](http://www.implanet.com)

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