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Implanet launches a share capital increase with shareholders' preferential subscription rights for approximately €6.9 million

- Subscription ratio: 6 new shares for 7 existing shares
 - Subscription price: €0.70 per share
- Subscription period: from October, 26, 2016 to November 9, 2016 inclusive
- Subscription commitment by several investors covering 79.47% of the rights issue

Bordeaux, Boston, October 20, 2016 – IMPLANET (Euronext: IMPL, FR0010458729, PEA-PME eligible, hereinafter the “Company”), a medical technology company specializing in vertebral and knee-surgery implants, announces today the launch of a capital increase with shareholders' preferential subscription rights (“PSRs”) for gross proceeds of €6,883,173.50, issue premium included (the “Rights Issue”). These gross proceeds may be increased to a maximum of €7,502,658.80 should the extension clause be exercised in full.

Purpose of the Rights Increase

The issue of new shares by the Company is intended to provide the Implanet group with additional financial resources to fund its activities, and more specifically, to:

- continue ramping up adoption of the Jazz platform for major (pediatric and adult) deformities with the roll-out of a global database for monitoring scoliosis treated by hybrid construction (“Worldwide Sub-laminar Study Group”) for an amount of around €0.7 million;
- expand and strengthen for an amount of around €1.8 million the clinical trial in degenerative indications and corrections of simple spinal deformities in adults in partnership with TFS International, a highly regarded CRO (Contract Research Organization). This company, specialized in running clinical trials, will conduct a forward-looking and multi-centric study to:
 - support the promising results already achieved in osteo-degenerative conditions affecting the spine in *ex vivo* tests (Mayo Clinic, Rochester) and initial patient follow-up in Europe (Dr. Cavagna, Clinique mutualiste in Lorient) and in the United States (Dr. Fahradi, Ohio State University);
 - bring use of the Jazz technology platform into the mainstream for degenerative spinal surgeries (elderly patients); and
 - assess and document the benefits of the Jazz platform in a new indication – protecting adjacent disks (PJK syndrome);
- continue the R&D drive at a cost of around €0.9 million, primarily to extend the Jazz range and facilitate the use of this technology platform in new surgical procedures to meet demand from surgeons for a stable fusion solution not employing pedicular screws for certain degenerative conditions they have to treat;

- finance ongoing sales and marketing efforts in the United States. This includes a budget of around €1.1 million to increase the number of regional sales managers to accelerate the recruitment and oversight of staff. It also covers loan repayments and other financial commitments amounting to around €1.5 million.

Should the offering not be fully subscribed (only up to 75%), the Company will have to review its priorities for the use of these funds and scale down the projected spending on clinical trials and the scientific committee by around €0.6 million, research and development costs by €0.4 million and sales development spending by around €0.6 million.

Should the Company proceed with a capital increase reserved for A Investors, to enable them to invest a total amount equal to 100% of their subscription commitments (the “Capital Increase”), these proceeds will provide the Company with around €0.4 million in additional resources to expand the scope of the clinical trials, around €0.7 million to step up the R&D efforts focused on the treatment of degenerative spinal conditions and around €0.9 million to ramp up sales and marketing efforts through the recruitment of new sales managers.

Subscription commitments and intentions

Three qualified investors (the “A Investors”), not currently shareholders in the Company and having no relationship to date with the Company other than the commitments described hereinafter, have undertaken to subscribe through irrevocable entitlement (“*à titre irréductible*”) and subject to reduction (“*à titre réductible*”) for €2,049,999 in shares via the Rights Issue, representing a total of 29.78% of the new shares.

The A Investors will purchase the PSRs at a price of one euro cent per block of PSRs from EDRIIP and Seventure Partners, which are shareholders in the Company and are to be allotted 481,004 PSRs and 391,013 PSRs respectively.

The following table shows a breakdown by amount and number of shares of the subscription commitments received from A Investors:

A Investors	Amount (in euros)	Number of shares
Sigma Gestion	750,000	1,071,428
Vatel Capital	1,000,000	1,428,571
Brio Capital	300,000	428,571

Furthermore, should the A Investors be unable to invest the full amount they had wished to invest via the Rights Issue with PSRs, a Capital Increase reserved for A Investors would take place enabling them to invest a total amount equivalent to 100% of their subscription commitments. The Capital Increase would take place concurrently with the Rights Issue, and the subscription price per share of the new shares to be issued by means of the Capital Increase would be the same as that of the new shares issued in the Rights Issue. The maximum number of shares to be issued in the potential Capital Increase is 2,928,570¹.

Four qualified investors (“B Investors”), who are not shareholders in the Company², have undertaken to subscribe in cash for any new shares not subscribed by the holders of PSRs through irrevocable entitlement

¹ Given the acquisition of PSRs by the Investors A from two existing shareholders of the Company and the subscription by irrevocable entitlement by such Investors A based on such PSRs and assuming the Investors A would be served, through their subscription subject to reduction only as part of the extension clause, for a number of new shares in proportion to the PSRs they own, this number of shares should be reduced to 2,113,858.

² Including L1 Capital with which the Company entered into an agreement in October 2015 to issue bonds convertible into shares with attached equity warrants - BEOCABSA notes.

("à titre irréductible") and subject to reduction ("à titre réductible"). These commitments represent a total amount of €3,420,000, or a total of 49.69% of the new shares.

The following table shows a breakdown by amount and number of shares of the subscription commitments received from B Investors:

B Investors	Amount (in euros)	Number of shares
Inocap	870,000	1,242,857
Nyenburgh	1,000,000	1,428,571
CVI Investments	1,250,000	1,785,714
L1 Capital	300,000	428,571

B Investors will receive a 5% commission based on the size of their commitment. This commission is payable regardless of the actual subscription by B Investors.

The subscription commitments do not represent a performance guarantee ("*garantie de bonne fin*") as defined in Article L. 225-145 of French Commercial Code.

The commitments received from A Investors and B Investors cover a total of 7,814,283 shares for a total value of €5.47 million, or 79.47% of the new shares.

Main terms of the Rights Issue

The Company will issue 9,833,105 new shares. This number may be increased by 884,979 additional shares should the extension clause be exercised in full. A total of 2,928,570 additional new shares may be issued to A Investors through the Capital Increase. The subscription price of the new shares via the Rights Issue and, as the case may be, the Capital Increase, stands at €0.70 per share.

Subscription of the new shares will be reserved in priority for the holders of record of existing shares in their securities account at the close of the trading session on October 25, 2016, to whom PSRs will be allotted, and for those selling the PSRs.

The PSRs give a shareholder the right to subscribe in priority for a number of new shares proportional to the number of shares that they own, such that their holding in the Company's share capital is not diluted. The PSRs may also be sold throughout the subscription period by shareholders who do not wish to take part in the issue. The holders of PSRs may subscribe:

- by irrevocable entitlement ("*à titre irréductible*"), based on a ratio of 6 new shares for 7 existing shares (7 PSRs will entitle the holders to subscribe for 6 new shares at a price of €0.70 per share), and
- subject to reduction ("*à titre réductible*"), the number of new shares that they wish to subscribe for in addition to the number of shares allotted to them through the irrevocable entitlement.

The PSRs will be listed and traded on Euronext's regulated market in Paris as from October 24, 2016 until November 7, 2016 under ISIN code FR0013215100.

Theoretical value of the PSRs and ex-rights value of Implanet shares

Based on the closing price of Implanet shares on October 18, 2016, that is €1.39:

- the issue price of €0.70 applicable to the new shares represents a discount of 49.64%,
- the theoretical value of the PSRs stands at €0.318,
- the theoretical ex-rights value of the share stands at €1.072,

- the issue price of the new shares stands at a discount of 34.67% to the theoretical ex-rights value of the share.

These values do not pre-judge the value of the PSRs during the subscription period or the ex-rights value of the shares. Nor do they pre-judge the discount to be applied on the market.

The offer will be open to the public in France only.

SwissLife Banque Privée will be the Lead Manager and Bookrunner, and Maxim Group LLC is acting as the U.S. placement agent.

Indicative timetable

October 19, 2016	<ul style="list-style-type: none"> • AMF visa on the Prospectus
October 20, 2016	<ul style="list-style-type: none"> • Press release by the Company presenting the main features of the Rights Issue and the terms on which the Prospectus is made available. • Notice of the issue released by Euronext Paris
October 24, 2016	<ul style="list-style-type: none"> • Detachment and start of trading of the PSRs
October 25, 2016	<ul style="list-style-type: none"> • Date of record for accounting purposes. Holders of record of existing shares as per their accounts at the close will be allotted the PSRs
October 26, 2016	<ul style="list-style-type: none"> • Beginning of the subscription period
November 7, 2016	<ul style="list-style-type: none"> • End of trading of the PSRs
November 9, 2016	<ul style="list-style-type: none"> • End of the subscription period
November 7, 2016	<ul style="list-style-type: none"> • Release by Euronext Paris of the admission notice of the new shares indicating the final amount of the Rights Issue and also the ratio for subscriptions for excess shares.
November 15, 2016	<ul style="list-style-type: none"> • Date on which the extension clause may be exercised by the Company • Press release by the Company announcing the results of the subscription • Release by Euronext Paris of the admission notice of the new shares indicating the final amount of the Rights Issue and also the ratio for subscriptions for excess shares. • Decision on whether to go ahead with the Capital Increase reserved for A Investors
November 17, 2016	<ul style="list-style-type: none"> • Issue of new shares and any additional new shares – Settlement-delivery • Admission of the new shares and any additional new shares in the Company to trading on Euronext's regulated market in Paris
November 24, 2016	<ul style="list-style-type: none"> • Resumption of the power to exercise or convert, as appropriate, the BSPCE, BSA, Options and bonds convertible into shares

To exercise their PSRs, holders must place a request with their authorized financial intermediary at any time between October 26, 2016 and November 9, 2016 inclusive and pay the corresponding subscription price. Any unexercised PSRs will automatically become null and void at the end of the subscription period, that is at the close of the trading session on November 9, 2016.

Information for investors

The prospectus approved by Autorité des marchés financiers' ("AMF") on October 19, 2016 under no. 16-493 consists of Implanet's registration document filed on April 28, 2016 under no. R.16-035, a securities note and a summary prospectus (included in the securities note).

Availability of the prospectus – Copies of the prospectus may be obtained free of charge from Implanet, Technopole Bordeaux Montesquieu, Allée François Magendie, 33650 Martillac, France (www.implanet.com) and from the AMF (www.amf-france.org).

Risk factors – Implanet draws investors' attention to chapter 4 "Risk factors" of the registration document filed with the AMF and section 2 "Risk factors" of the securities note.

About IMPLANET

Founded in 2007, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its flagship product, the JAZZ latest-generation implant, aims to treat spinal pathologies requiring vertebral fusion surgery. 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 and the CE mark. IMPLANET employs 48 staff and recorded 2015 sales of €6.7 million. For further information, please visit www.implanet.com.

Based near Bordeaux in France, IMPLANET established a US subsidiary in Boston in 2013.

IMPLANET is listed on Compartment C of the Euronext™ regulated market in Paris.

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