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Implanet enters into exclusive negotiations for the acquisition of a European manufacturer of implants for spine surgery, and signs a financing

- This acquisition would allow the Company to strengthen its position and generate positive operating cash flow¹ by 2022
 - Expansion of complementary product ranges
 - Broadening of the international sales coverage
 - Extension of the range distributed in the United States
- A convertible bond line has been agreed with Nice & Green for a maximum of €5 million, enabling the financing of this acquisition and the new entity's activity in 2021 and 2022

Bordeaux, Boston, January 13, 2021 – 5.45 pm CET - IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in vertebral and knee-surgery implants, today announces that it has finalized an exclusive negotiation agreement with a view to acquiring a company specialized in designing, manufacturing and selling implants for spine surgery².

This acquisition, which is subject to the approval of the Company's shareholders at its next Shareholders' Meeting, would allow Implanet to expand its portfolio of proprietary products and generate marketing, organizational and production synergies with significant impact on the new entity's results.

Ludovic Lastennet, CEO of Implanet, says: *"This strategic acquisition project marks a major milestone in Implanet's development. It reflects our ambition of becoming a benchmark player while contributing to a consolidation of European companies capable of innovating and delivering new products on the increasingly competitive and regulated spine surgery market. As well as accelerating our growth, this acquisition would result in substantial commercial, technological and economic synergies. In order to finance this acquisition project and accelerate our development, we are putting in place a €5 million bond financing line"*.

A specialist in the development of implants for spine surgery

Specialized in designing, manufacturing and selling implants for spine surgery, the company that is the target of this acquisition project possesses an extensive range of proprietary products distributed directly in France and indirectly in the rest of the world, and generated revenue of approximately €4 million in 2019. The company's entire product range has CE marking through to 2024 and recently received a 510(k) clearance from FDA.

An acquisition project to generate value-creating synergies

The integration of this new product range within Implanet's JAZZ® platform would contribute to the creation of a comprehensive and innovative range of spine surgery products and to maintaining Implanet's position as an independent leader in band implants.

¹ Corresponding to the self-financing capacity, more or less the working capital requirement.

² The name of the company is still confidential at this time

This operation materializes the two companies' shared desire to achieve critical size in order to benefit from savings of scale, continue growth and increase margins. The target company's experienced management team, acknowledged in its market, shares the same values as Implanet and will be a shareholder in the new entity.

Planned terms and conditions of the acquisition

This acquisition project, which should be finalized at the end of April 2021, will be paid for in cash and Implanet shares. Its implementation will be subject to the usual conditions precedent, notably regarding the undertaking of financial and regulatory audits. To this effect, Implanet will hold a General Meeting.

The Company will provide more detailed information on the terms and conditions of the acquisition at a later date.

Financing

This acquisition and the financing of the Company's activity will be funded by a financing line comprising of €5 million in bonds convertible into shares. A portion of these funds will also be used to finance the new entity's operating cash requirements through 2021 and 2022, before reaching positive cash flow at the end of 2022.

Legal framework of the bond financing

Acting on powers delegated by the Extraordinary Shareholders' Meeting of April 7, 2020 in accordance with resolution 16³, the Company's Board of Directors, at its meeting of January 13, 2021, decided to put in place a new financing line for a maximum of €5 million via the issuance of 500 convertible bonds (the "Bonds"). This line, ensured by Nice & Green SA, a private company under Swiss law that specializes in providing financing solutions suited to listed companies, will enable to Company to finance the acquisition project and the new entity's operating cash requirements through 2021 and 2022.

In accordance with the terms of the agreement, Nice & Green, as a specialized investor, has pledged – except in the event of default for the usual reasons⁴ – for a period of 20 months, to subscribe a maximum number of 500 Bonds with a nominal value of €10,000 each. This new bond line comes on top of the €0.9 million remaining balance on the previous convertible bond financing program concluded with Nice & Green in February 2020, which will continue until it expires.

The investor's policy is to not integrate the governance of the companies in which it invests, and therefore it does not intend to ask for representation within Implanet's governance. Furthermore, the investor does not intend to remain a long-term Implanet shareholder and intends to rapidly divest shares resulting from the conversion of the bonds on the market.

Pursuant to the provision of the general regulations of the AMF French stock market authority, this operation has not been and will not be subject to a prospectus requiring an AMF visa.

The implementation of bond financing does not significantly modify the Company's liquidity risks as described in Chapter 4, "Risk Factors" of the Company's 2017 Reference Document filed with the AMF on 16 April 2018 under reference number D.18-0337, as well as in the annual financial report of December 31, 2019 and the half-year financial report of June 30, 2020.

The Company draws attention to the risks specific to the Company and its business indicated in Chapter 4, "Risk Factors", of its 2017 Reference Document filed with the AMF on April 16, 2018 under reference number D.18-0337, as well as in the annual financial report of December 31, 2019 and the half-yearly financial report of June 30, 2020.

³ Immediate or future capital increase via the issuance of ordinary shares and/or any securities giving access to the Company's equity capital with pre-emptive rights waived in favor of companies or investment funds, shareholders in the Company or not, or banking institutions that habitually grant loans, that could notably, without limitation, take the form of bonds with or without securities giving access to the Company's equity capital, to companies that have yet to break even.

⁴ See the Appendix to this press release.

Main characteristics of the convertible bonds and impact of the issuance on the Company's shareholders' equity and share capital

See the Appendix to this press release.

Upcoming financial event:

- **2020 annual revenue, Tuesday January 19, 2021 after market close**

About Implanet

Founded in 2007, Implanet is a medical technology company that manufactures high-quality implants for orthopedic surgery. Its activity revolves around two product ranges, the latest generation JAZZ® implant, designed to improve the treatment of spinal pathologies requiring vertebral fusion surgery, and the MADISON implant designed for first-line prosthetic knee surgery. Implanet's tried-and-tested orthopedic platform is based on product traceability. Protected by four families of international patents, JAZZ® and MADISON have obtained 510(k) regulatory clearance from the Food and Drug Administration (FDA) in the United States, the CE mark as well as the ANVISA authorization in Brazil. Implanet employs 36 staff and recorded 2019 sales of €7.4 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 Euronext™ Growth market in Paris.

The Company would like to remind that the table for monitoring the equity line (OCA, OCAPI, BSA) and the number of shares outstanding, is available on its website: <http://www.implanet-invest.com/suivi-des-actions-80>

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Disclaimer

This press release contains forward-looking statements concerning Implanet and its activities. Such forward looking statements are based on assumptions that Implanet considers to be reasonable. However, there can be no assurance that the anticipated events contained in such forward-looking statements will occur. Forward-looking statements are subject to numerous risks and uncertainties including the risks set forth in the registration document of Implanet registered by the French Financial Markets Authority (Autorité des marchés financiers (AMF) on April 16, 2018 under number D.18-0337, as well as in the annual financial report of December 31, 2019 and the half-yearly financial report of June 30, 2020 and available on the Company's website (www.implanet-invest.com), and to the development of economic situation, financial markets, and the markets in which Implanet operates. The forward-looking statements contained in this release are also subject to risks unknown to Implanet or that Implanet does not consider material at this time. The realization of all or part of these risks could lead to actual results, financial conditions, performances or achievements by Implanet that differ significantly from the results, financial conditions, performances or achievements expressed in such forward-looking statements. This press release and the information it contains do not constitute an offer to sell or to subscribe for, or a solicitation of an order to purchase or subscribe for Implanet shares in any country.

**Appendix: Main characteristics of the convertible bonds
and impact of the issuance on the Company's shareholders' equity and share capital**

The convertible bonds have a nominal value of €10,000 each and are subscribed to at 98% of this nominal value. They bear no interest and will have a maturity of 12 months from their issuance. Except in the event of default⁵, any Bonds that reach maturity unconverted will be converted.

The Bonds will be numbered from 1 to 500 and will have to be issued and subscribed to by Nice & Green, subject to certain conditions⁶, in accordance with the following schedule:

Periods of 21 trading days	Bonds	Total amount over the period
Period 1 ⁷ from Feb. 1, 2021 (included) to April 30, 2021 (included)	1 to 160	€1,600,000
Period 2	161 to 180	€200,000
Period 3	181 to 200	€200,000
Period 4	201 to 220	€200,000
Period 5	221 to 240	€200,000
Period 6	241 to 260	€200,000
Period 7	261 to 280	€200,000
Period 8	281 to 300	€200,000
Period 9	301 to 320	€200,000
Period 10	321 to 340	€200,000
Period 11	341 to 360	€200,000
Period 12	361 to 380	€200,000
Period 13	381 to 400	€200,000
Period 14	401 to 400	€200,000
Period 15	421 to 440	€200,000
Period 16	441 to 460	€200,000
Period 17	461 to 480	€200,000
Period 18	481 to 500	€200,000

⁵ Cases of default include, in particular non-payment of amounts due under the financing when due, failure by the Company to meet its commitments which have not been remedied within 10 calendar days, delisting or suspension of the listing of Euronext Growth shares (unless listing is transferred to Euronext Paris), refusal to certify the financial statements by the statutory auditors (unless remedied within 30 business days), the occurrence of a material adverse event or any event adversely affecting the Company's ability to perform its obligations, the occurrence of a change of control, the occurrence of insolvency proceedings, the suspension, interruption by the Company of its activities on a voluntary basis or the sale or transfer of its main assets (except for fair consideration or at market conditions), the condemnation of the Company.

⁶ The conditions include notably compliance by the Company with its commitments, the maintenance of representations and warranties, the absence of a material adverse event, the absence of a commitment entered into by the company that could lead to a change of control, and the absence of the occurrence of an event of default that has not been remedied.

⁷ It being specified that a minimum of 50 convertible bonds will have to be subscribed to by no later than April 7, 2021.

The Bonds may be converted into Implanet shares at any time at their holder’s discretion according to a conversion ratio determined by the following formula:

$$N = V_n / P$$

“N” corresponding to the number of new Implanet ordinary shares to be issued upon conversion of one Bond;

“Vn” corresponding to the amount of debt represented by the Bond (nominal value of one convertible bond);

“P” corresponding to 92% of the lowest daily volume-weighted average price of an Implanet share (“VWAP” as published by Bloomberg) over the eight (8) trading days immediately preceding the date on which the request is received to convert the Bond in question, it being specified that the trading days during which the Bond bearer sells Implanet shares will be excluded. P may not be lower than the nominal value of an Implanet share, currently €0.10, nor than the minimum issue price provided for by resolution 16 of the Shareholders’ Meeting (i.e. 75% of the average VWAP over the five (5) trading days immediately preceding its setting).

The convertible bonds, which will be divestible under certain conditions, will not be the subject of a request for admission to trading on the Euronext Growth market in Paris and will therefore not be listed.

New shares resulting from the conversion of the Bonds

The new shares issued upon conversion of the convertible bonds will carry immediate and current dividend rights (“*jouissance courante*”). They will carry the same rights as those attached to the Company’s ordinary shares and will be admitted for trading on the Euronext Growth market in Paris under the same listing line (ISIN: FR0013470168). These issues will be the subject of publications on Implanet’s Investor website (“*Données Boursières*” / “*Suivi des actions*” section of the French version of the site).

Impact of the convertible bond issue on the Company’s shareholders’ equity and share capital

For guidance purposes, the impact of the issuance of all the 500 convertible bonds would be as follows (based on the lowest of the eight (8) volume-weighted average Implanet share prices prior to January 13, 2021, i.e. € 1.1184:

- Impact of the issue on equity per share (based on consolidated shareholders’ equity (Group share) as indicated in the Company’s half-yearly accounts to June 30, 2020, adjusted for the capital increases implemented between July 1, 2020 and today (*) and excluding interim losses, and on a share capital of 5,351,545 shares to date taking into account the capital increase resulting from the conversion of bonds convertible into shares recorded by the Board of Directors at its meetings of September 9, 2020 and December 23, 2020 but not taking into account the deduction of treasury shares):

	Equity per share * (in euros)	
	Undiluted basis	Diluted basis ⁽¹⁾
Before the issue	0.51	1.02
After the issuance of a maximum of 4,859,558 new shares to be issued within the framework of the conversion of the 500 convertible bonds	0.75	1.02

(*) Adjusted shareholders’ equity of €2,705,989.

⁽¹⁾ Assuming the exercise of all share subscription warrants, ‘BSPCE’ stock options for employees, stock options and bonds convertible into shares in circulation, whether exercisable or not, i.e. 1,819,588 ‘BSPCE’ stock options for employees, 163,500 stock options, 4,673,465 share subscription warrants and 150 bonds convertible into shares whose exercise would result in the creation of 2,669,852 new shares. This dilution does not presuppose either the final number of shares to be issued or their issuance price, which will be set depending on the share price, according to the terms described above.

- Impact of the issue on the interest of a shareholder currently holding 1% of the Company's share capital:

	Shareholder's holding (as a %)	
	Undiluted basis	Diluted basis ⁽²⁾
Before the issue	1	0.667
After the issuance of a maximum of 4,859,558 new shares to be issued within the framework of the conversion of the 500 convertible bonds	0.524	0.415

⁽²⁾ Assuming the exercise of all share subscription warrants, 'BSPCE' stock options for employees, stock options and bonds convertible into shares in circulation, whether exercisable or not, i.e. 1,819,588 'BSPCE' stock options for employees, 163,500 stock options, 4,673,465 share subscription warrants and 150 bonds convertible into shares whose exercise would result in the creation of 2,669,852 new shares. This dilution does not presuppose either the final number of shares to be issued or their issuance price, which will be set depending on the share price, according to the terms described above.