

Implanet announces a commercial, technological and financial partnership with Sanyou Medical, a Chinese manufacturer of medical devices for spine surgery

- **Commercial partnership:** Agreement to distribute Implanet's JAZZ® platform in China, the world's largest market (by volume) for spine surgery
- **Technological partnership:** Joint development of a brand-new European hybrid fixation system range
- **Financial partnership:** Proposed capital increase with preferential subscription rights through the issue of shares with warrants, guaranteed up to €5 million by the partner Sanyou Medical

Bordeaux, Boston, June 29, 2022 – 05:45 pm CEST: IMPLANET (Euronext Growth: ALIMP, FR0013470168, eligible for PEA-PME equity savings plans), a medical technology company specializing in vertebral implants, announced today the signing of an agreement defining the principles of a strategic, technological and financial partnership project with Sanyou Medical, a Chinese manufacturer of medical devices for spine surgery.

Ludovic LASTENNET, Implanet's CEO, stated: *"For many years now, Implanet has shown a particular interest in China, currently the world market with the greatest potential in volume terms for spine surgery. This strategic partnership with Chinese second largest manufacturer of spinal implants, Sanyou Medical, is an amazing opportunity from a number of respects. Firstly, it will allow us to market our JAZZ® range in China, via a distribution contract. It will also enable us to accelerate our innovation by combining our know-how to rapidly develop a brand-new range of fixation systems for western markets. Lastly, this collaboration will strengthen our financial visibility, with our partner acquiring a €5 million stake in our Company via a capital increase. This will be open to all our current shareholders and should allow us to put an end to the alternative financing by convertible bonds."*

First distribution agreement in China for Implanet's JAZZ® platform

China is the world's largest potential market by volume for Implanet's JAZZ® technology, with 15,000 pediatric scoliosis surgeries and 750,000 adult surgeries performed per year¹.

Within the framework of this partnership, Sanyou Medical, China's second largest and most premium manufacturer of medical devices for spine surgery, generating revenue of approximately 85 million euros in 2021, will distribute, after approval by sanitary authorities, Implanet's entire JAZZ® range in China.

¹ Source: Sanyou Medical

The final distribution and technological partnership agreements will be concluded as soon as the conditions are met and no later than December 31, 2022.

Technological know-how synergies for the development of a European hybrid fixation system range

This is also a technological partnership. The two companies will draw on their know-how and R&D to develop a brand-new comprehensive hybrid fixation range and incorporating the very latest developments and innovations in the field of spine surgery (deformation treatment system, minimally invasive range, robotics, artificial intelligence, etc.)

Proposed capital increase with preferential subscription rights through the issue of shares with warrants, guaranteed up to €5 million by the partner Sanyou Medical

This technological and commercial partnership will be accompanied by an operation to raise capital of between €5 and 5.5 million for Implanet (excluding the possible exercise of an extension clause of up to 15%), paid in two equal tranches.

This financing will allow the Company to cover its anticipated cash flow needs for the next 12 months (the financial resources available to the Company, at the date of this press release, do not cover its projected 12-month needs), to finalize the globalization of its product offering for spine surgery with the development of a European range of hybrid fixation systems, and to finance the acceleration of its direct sales in the main European markets and in the United States, and the roll-out of the JAZZ® platform in China, which is the world's leading potential market in terms of volume.

This operation will take the form of a capital increase via the issuance of shares with share subscription warrants with preemptive subscription rights maintained (the "rights issue") open to all shareholders at a unit price of €0.28, issuance premium included, for an initial gross amount, before exercise of the attached share subscription warrants, of approximately €2.5 million to €2.75 million (issuance premium included).

The share subscription warrants attached to the new shares resulting from the rights issue may be exercised until March 31, 2023 at an exercise price of €0.32 per share. Their exercise will result in an additional capital increase of approximately €2.5 million to €2.75 million.

Sanyou Medical has pledged to subscribe, under certain conditions, to the shares with share subscription warrants not subscribed to on an irreducible basis and to subscribe to the attached share subscription warrants for a total of €5 million.

This issuance should take place no later than October 31, 2022 and following the fulfillment of certain standard conditions precedent, notably related to compliance with regulatory constraints and under the control of government authorities.

Sanyou Medical has requested to be appointed to the Board of Directors of the Company upon completion of its subscription. A General Meeting may be convened for this purpose.

Main characteristics of the capital increase

The shares with share subscription warrants would be offered at a price of €0.28 per share.

The newly issued shares would bear current dividend rights and may be traded on the Euronext Growth market in Paris. They would be listed on the same line as the Company's existing shares (ISIN: FR0013470168) as soon as they are admitted to trading.

The issue price of a share to be subscribed upon exercise of the warrants would be €0.32. **The share subscription warrants should be exercised until midnight on March 31, 2023.** Any share subscription warrants not exercised by that date will automatically become null and void.

The share subscription warrants would immediately be detached from the new shares. An application would be made for the share subscription warrants to be admitted to trading on the Euronext Growth market in Paris.

Once the conditions are met, a forthcoming press release will detail the timetable and the definitive terms of the operation, and notably the parities.

Legal framework of the operation

Making use of the delegation of authority approved by the Combined General Meeting of June 9, 2022 in resolution 11 and in resolution 15, the Board of Directors will meet, as soon as the conditions precedent are satisfied, to decide on the issuance of the shares with share subscription warrants with preemptive subscription rights maintained.

If Sanyou Medical's subscription commitment cannot be fulfilled in full within the framework of this transaction due to the subscription of shareholders, the Company is committed to convene a general meeting in order to obtain the delegations allowing Sanyou Medical to subscribe for new shares to meet its subscription commitment, at the same price conditions.

In accordance with the provisions of article L.411-2 of the Monetary and Financial Code and article 211-2 of the General Regulations of the French Financial Markets Authority (AMF), this Rights Issue will not be subject to a prospectus requiring a visa from the AMF, as the total amount of the offering calculated over a period of 12 months does not exceed €8 million.

Risk factors

Implanet would like to draw your attention to the other risk factors associated with the Company and its activity set forth in Chapter 4, "Risk Factors", of its 2017 Registration Document approved by the AMF on April 16, 2018 under number D.18-0337, as well as in the annual financial report of December 31, 2021.



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 2021, the company had 27 registration certificates for Class III medical devices and 395 patents registered including 61 in inventions, 214 in utility models, 116 in designs and 4 in software copyrights.

About IMPLANET

Founded in 2007, IMPLANET is a medical technology company that manufactures high-quality implants for orthopedic surgery. 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. IMPLANET employs 39 staff and recorded a consolidated revenue of €6.1 million in 2021. 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.

The Company would like to remind readers that the table for monitoring the equity line (OCA, 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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