

IMPLANET reports its 2023 full-year results

- **Governance evolution in line with the agreement with Sanyou Medical**

Bordeaux, Boston, March 6, 2024 – 7:30 am CET: IMPLANET (Euronext Growth: ALIMP, FRO013470168, eligible for PEA-PME equity savings plan), a medical technology company specialized in implants for orthopedic surgery and the distribution of technological medical equipment, today announced its 2023 full-year results, as of December 31, 2023, as approved by the Board of Directors on March 5, 2024.

Ludovic Lastennet, IMPLANET's Chief Executive Officer, stated: *"The results we reported today are impacted by the poor performance we experienced in 2023 on the international front. Our objectives for 2024 are therefore logically focused on revitalizing our sales activity in all the regions we cover. Thus, following the capital increase carried out on February 2, 2024, we now have the resources we need to continue expanding our product offer and strengthening our international presence, particularly in the United States. The appointment of Max W. Painter as Vice President and General Manager of Implanet America is a decisive first step in ensuring the deployment of our innovative solutions in this critical market. We also look forward to Sanyou Medical's commercial launch of our proprietary JAZZ® range in China, scheduled for later this year. Finally, as a result of the close collaboration between the teams of our reference shareholder, Sanyou Medical, and our R&D team, we are finalizing the development of a unique range of hybrid posterior fixation systems for the European market, which should be completed this year. All these achievements, coupled with our new medical equipment distribution activity, should enable us to strengthen our sales momentum in our main markets and return to growth in the years ahead."*

| In € thousands - IFRS - Simplified income statement | 2023 | 2022 | Change % |
|---|---------------|---------------|-------------|
| Revenue | 7,447 | 8,028 | -7% |
| Cost of goods sold | -3,215 | -3,067 | 5% |
| Gross margin | 4,233 | 4,961 | -15% |
| Gross margin % | 56,8% | 61,8% | -5,0 bp |
| Operating costs | -10,295 | -8,930 | 15% |
| Recurring operating profit/loss | -6,063 | -3,968 | -53% |
| Other non-recurring operating income and expenses | -325 | - | n.a |
| Operating profit/loss | -6,388 | -3,968 | -61% |
| Financial profit/loss | -288 | 428 | -n.a |
| Net result | -6,676 | -3,540 | -89% |

*Unaudited figures

Revenue

Overall, the Company reported revenue of €7.45 million in 2023, compared with full-year revenue of €8.03 million in 2022.

Spine activity recorded revenue of €7.07 million in 2023, compared with €7.93 million in 2022. Revenue in France remained stable at €3.45 million. Revenue in the United States in 2023 amounted to €1.36 million, down 18% from €1.67 million in the previous year, due to the poor performance in the second half of 2023. Export revenue in the Rest of the World also fell by 23% over the period, to €2.26 million in 2023 from €2.93 million in 2022.

The medical equipment distribution activity generated €0.30 million in 2023.

Gross margin and operating loss

The gross margin amounted to €4.23 million in 2023, compared with €4.96 million in 2022, a decline of around 5 basis points. This decrease is mainly due to the product mix, with the launch of the SMTP medical equipment ranges and the minimally invasive pedicle screw positioning system driving down the margin rate from 61.8% to 56.8%.

At the same time, the Company's operating costs rose from €8.93 million to €10.30 million. This €1.37 million increase is due to the impairment of goodwill and other intangible assets associated with the company OSD in the amount of €1.75 million. This impairment considers the possible cannibalization of existing OSD products by the launch of a new range of hybrid posterior fixation systems planned jointly with Sanyou Medical in 2024.

Excluding the impact of this impairment, the Company continued its strict control of operating expenses over the period.

As a result, the recurring operating loss increased by 53% to -€6.06 million in 2023, compared with -€3.97 million in 2022.

Other non-recurring expenses correspond to restructuring costs at the U.S. subsidiary and the renegotiation of financial debt. Taking into account these various items, non-recurring exceptional expenses of €0.33 million and net financial loss of €0.29 million, net result for 2023 stands at €6.68 million, compared with €3.54 million for 2022.

Cash position

As of December 31, 2023, Implanet's cash position stood at €0.25 million.

On [February 2, 2024](#), the Company announced the completion of a €5.5 million capital increase. The net proceeds of this capital increase amounted to 5.3 M€.

As mentioned in its press releases of [October 11](#) and [December 11](#), 2023, the Company redeemed the bond loan contracted in October 2023 for a total amount of €1.3 million.

The Company also concluded an agreement with some of its lenders (Banque Populaire Méditerranée, Bpifrance, Région Nouvelle Aquitaine and Société Générale) to reschedule part of its financial debt over the remaining term of each of the loans concerned, whose maturity has been extended by nine months. This agreement took effect on March 4, 2024.

In view of these elements, and the cash consumption forecasts based on current activity assumptions and anticipated business developments with Sanyou Medical over the 2024 and 2025 financial years, the Company considers that it will be able to cover the financing requirements of its operations for the next twelve months.

Corporate governance

As mentioned in its previous press releases, and in particular that of [February 2, 2024](#), on the completion of the capital increase announced on January 4, 2024, Sanyou Medical asked to benefit from the majority of directorships on the Company's Board of Directors as of the completion of the said capital increase.

During its meeting on March 5, 2024, Ms. Paula Ness Speers, Ms. Mary Shaughnessy and Mr. Jean Gérard Galvez each tendered their resignations from the Company's Board of Directors. These resignations took effect on March 5, 2024.

Ms. Minhui Yang, CFO of Sanyou Medical, and Mr. Michael Mingyan Liu, co-founder and R&D Director of Sanyou Medical, were co-opted as directors for the remainder of their respective predecessors' terms of office, i.e. for the former until the end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2024, and for the latter until the end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2025.

Implanet's Board of Directors is now made up of David Fan, who were appointed Chairman of the Board to replace Jean-Gérard Galvez, Minhui Yang, Michael Mingyan Liu, Ludovic Lastennet and Benjamin Letienne.

The Board of Directors also decided to convene the shareholders to the Annual General Meeting on April 25, 2024, to approve the financial statements for the year ended December 31, 2023, and to ratify the co-options of Ms. Minhui Yang and Mr. Michael Mingyan Liu.

The Company would particularly like to thank Ms. Paula Ness Speers, Ms. Mary Shaughnessy and Mr. Jean Gérard Galvez for their involvement and active contribution to Implanet's development, and to commend the quality of their governance during their respective terms of office.

2023 highlights and post-closing events

- ✓ Commercial launch of the ultrasound surgical scalpel from SMTP, a subsidiary of Sanyou Medical;
- ✓ FDA approval for the Squale™ range of anterior cervical cages in the United States;
- ✓ Commercial launch in Europe of the MIS range, a minimally invasive pedicle screw positioning system;
- ✓ Launch of a training program for surgeons in preparation for the commercial launch of the JAZZ® range in China;
- ✓ Appointment of Max W. Painter as Vice President and General Manager of Implanet's US subsidiary;
- ✓ Capital increase in cash with shareholders' preferential subscription rights, raising €5.5 million.

Strategy and outlook for the coming 12 months

- ❖ Finalize the registration of existing products within the framework of the European Medical Device Regulation (MDR).
- ❖ Reinvigorate the Company's presence in the United States:
 - strengthen the resources and commercial means made available to the historical team;
 - strengthen the Company's direct approach by expanding the scientific team of opinion leaders;
- ❖ Strengthen market momentum and the product offering:
 - deploy the commercial and technological partnership with Sanyou Medical to jointly develop an innovative new European range of hybrid posterior fixation;
 - initiate the distribution of the JAZZ® platform in China (the world's largest spine market by volume) with Sanyou Medical;

- distribute technological medical equipment in Europe such as SMTP Technology Co.'s ultrasound surgical scalpel.

Next financial press release

- **Q1 2024 Revenue**, April 9, 2024, after market close

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 €7.4 million in 2023. 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.

Disclaimer

This press release contains forward-looking statements about Implanet and its activity. Implanet estimates that these forward-looking statements are based on reasonable assumptions. However, no assurance can be given that the forecasts expressed in these forward-looking statements will materialize, as they are subject to risks, including those described in Implanet's reference document filed with the Autorité des marchés financiers (AMF) on April 16, 2018 under number D.18-0337, as well as in the annual financial report for December 31, 2022 and the half-year financial report for June 30, 2023, which are available on the Company's website (www.implanet-invest.com), and to changes in economic conditions, financial markets and the markets in which Implanet operates. The forward-looking statements contained in this press release are also subject to risks unknown to Implanet or that Implanet does not currently consider material. The occurrence of some or all of these risks could cause Implanet's actual results, financial condition, performance or achievements to differ materially from those expressed in the forward-looking statements. Implanet does not undertake any obligation to update any forward-looking information or statements, except as required by applicable law, in particular articles 223-1 et seq. of the general regulations of the Autorité des marchés financiers.

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