



AMPLITUDE SURGICAL ANNOUNCES THAT APAX PARTNERS AND THE COMPANY'S MANAGEMENT HAVE ENTERED INTO EXCLUSIVE NEGOTIATIONS WITH PAI PARTNERS IN RELATION TO THE ACQUISITION OF A MAJORITY STAKE IN AMPLITUDE SURGICAL, FOLLOWED BY A MANDATORY PUBLIC TENDER OFFER

Valence (France), July 30, 2020, 11:30 pm CEST – PAI Partners has entered into exclusive negotiations with a view to acquiring a majority stake in Amplitude Surgical (ISIN: FR0012789667, Ticker: AMPLI, PEA-PME eligible) (the “**Company**”), a French leader on the global surgical technology market for lower-limb orthopedics.

The proposed transaction which could be completed in the second half of 2020, remains subject to regulatory approvals in France and abroad.

PAI Partners would acquire, for a price of €2.15 per share and via a special purpose vehicle (the **SPV**), all the shares directly or indirectly held by Apax Partners and certain managers of the Company, through disposals in cash at a price of €2.15 per share and through contributions of shares based on the same valuation of the Company:

- The funds managed by Apax Partners would dispose their entire stake in the company in cash for €2.15 per share, i.e. 19,799,596 shares representing approximately 41.4% of the share capital¹ of the Company;
- Olivier Jallabert, the Company's founder, Chairman and CEO, and certain other senior executives (“**Management**”) would remain involved in Amplitude Surgical development project:
 - Olivier Jallabert would reinvest all of his current stake² representing approximately 10.4% of the share capital¹ of the Company into the SPV based on the same valuation of €2.15 per share; and
 - The other managers could contribute a proportion of their current stake representing approximately 0.7% of the share capital¹ of the Company to the SPV based on a valuation of €2.15 per share and would dispose their remaining shares to the SPV for €2.15 per share in cash.

The SPV would thus acquire approximately 52.3% of the Company's share capital¹ and voting rights. The Group would continue to be led by the current management team.

The price of €2.15 per share represents a premium of:

- +32.7% on the closing price of July 30, 2020;
- +32.0% on the volume-weighted average share price over the last 20 trading days;
- +53.5% on the volume-weighted average share price over the last 60 trading days; and
- +66.4% on the volume-weighted average share price over the last 120 trading days.

¹ Based on a total number of 47,804,841 Amplitude Surgical shares, including 50,001 treasury shares (as at July 29, 2020).

² Excluding 95,702 shares which could not be transferred and excluding the disposal of a maximum of 50,000 shares for a price of €2.15 per share in cash.

A transaction favorably welcomed by the Company's Board of Directors

The Company's Board of Directors, which met today, has favorably welcomed the potential acquisition of a majority stake by PAI Partners, and has decided to cooperate in order to allow the tender offer to be filed by the SPV controlled by PAI Partners as swiftly as possible. It has also decided to initiate an information and consultation procedure with the Company's staff representative bodies.

It is specified that neither Olivier Jallabert nor the two representatives of Apax Partners on the Company's Board of Directors took part in discussions or voted at this Board Meeting. Daniel Caille, independent Board Member, will be in charge of the review of the tender process and the steps enabling a reasoned opinion to be issued at the appropriate time.

An independent expert will be appointed shortly and will prepare a report on the financial terms of the tender offer in accordance with the provisions of article 261-1 of the AMF stock market authority's General Regulations. The Company will keep the market informed of the appointment process of the independent expert as well as the details of his mission.

Main conditions and schedule of the simplified tender offer

The signing of the definitive agreements will only be able to take place once the consultation with the Company's staff representative bodies has been completed. The transaction therefore remains subject to the conclusion of the final documentation and the customary regulatory approvals, notably regarding antitrust.

Should the transaction be completed, the SPV controlled by PAI Partners will have to file a simplified public tender offer for all outstanding shares and all free shares which would potentially be issued at a price per share of €2.15. The SPV intends to implement a mandatory squeeze-out following the public offer should the Company's minority shareholders who do not tender their shares to the offer represent less than 10% of Amplitude Surgical's shares and voting rights.

The Company's Board of Directors will have to issue its reasoned opinion on the merits of the public offer and its consequences for the Company, its shareholders and its members of staff. This reasoned opinion will be prepared on the basis of the report drawn up by the independent expert and the opinion of staff representative bodies and will be replicated in the draft note in response prepared by the Company.

The implementation of the public tender offer is subject to the AMF clearance decision, and its completion could take place during the fourth quarter of 2020. Amplitude Surgical and PAI Partners will keep the market informed of any significant change in the planned operation.

Outlook

The Company's 2019-20 fiscal year was significantly impacted by the COVID-19 pandemic. The Group recorded annual sales of €88.3 million and unaudited EBITDA of approximately €17.5 million.

Provided the evolution of the COVID-19 pandemic can be contained without any further measures restricting economic activity, and assuming there is a catch-up effect on top of a return of activities to normal, the Company expects:

- a recovery of the activity due to the sanitary crisis and a return to the average annual growth trajectory of 5%, as presented in the universal registration document filed on November 19, 2019, resulting in 2020-21 (ending June 30, 2021) sales of around 10% above sales recorded in 2018-19 (ending June 30, 2019), i.e. approximately €115 million; and
- an EBITDA margin of between 23 and 24% in 2020-21 (ending June 30, 2021), thus delaying by a year the target EBITDA margin presented in the universal registration document filed on November 19, 2019.

Olivier Jallabert, founder, Chairman and CEO of Amplitude Surgical, said: “The Amplitude Surgical teams and I are pleased to join forces with PAI Partners, whose values and ambition we share. I would like to thank Apax Partners for their support over the last decade, including the last few months during which the Group has had to cope with an unprecedented global health crisis. We have demonstrated our resilience through this crisis thanks to our model, our proximity to our clients and the quality of our teams. We would like to welcome PAI Partners and are pleased to start this new partnership”.

Stefano Drago, Partner at PAI Partners, added:

“We are delighted to have the opportunity to accompany Amplitude Surgical as its majority shareholder, and would like to thank Apax Partners, Olivier Jallabert and the entire Management team for putting their trust in us. It is a great opportunity for us to invest in such a prestigious group and with such a talented management team.”

Bertrand Pivin, Partner at Apax Partners, said:

“We are pleased to have backed the company during a key phase of its development. During these nine years, Amplitude Surgical, led by its founder Olivier Jallabert and his management team, has become one of the leading European orthopaedic companies. Its sales have doubled and its EBITDA has almost tripled, thanks in particular to strong international expansion, the creation of Novastep - its Foot and Ankle subsidiary - and continuous innovation, particularly in the fields of assisted navigation and 3D printing.

The transfer of our controlling interest to a recognized player in healthcare investment will provide liquidity for all shareholders and enable the company to pursue its rapid expansion.”

About Amplitude Surgical

Founded in 1997 in Valence, France, Amplitude Surgical is a leading French player on the global surgical technology market for lower-limb orthopedics. Amplitude Surgical develops and markets high-end products for orthopedic surgery covering the main disorders affecting the hip, knee and extremities, and notably foot and ankle surgery. Amplitude Surgical develops, in close collaboration with surgeons, numerous high value-added innovations in order to best meet the needs of patients, surgeons and healthcare facilities. A leading player in France, Amplitude Surgical is developing abroad through its subsidiaries and a network of exclusive distributors and agents distributing its products in more than 30 countries. Amplitude Surgical operates on the lower-limb market through the intermediary of its Novastep subsidiaries in France and the United States. At June 30, 2020, Amplitude Surgical had a workforce of 436 employees and recorded sales of nearly 90 million euros.

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About PAI Partners

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. It manages €13.9 billion of dedicated buyout funds and, since 1994, has completed 75 transactions in 11 countries, representing over €50 billion in transaction value. PAI Partners is characterised by its industrial approach to ownership combined with its sector-based organisation. It provides the companies it owns with the financial and strategic support required to pursue their development and enhance strategic value creation.

About Apax Partners

Apax Partners is a leading European private equity firm. With more than 45 years of experience, Apax Partners provides long-term equity funding to build and strengthen world-class companies. Funds managed and advised by Apax Partners exceed €4 billion. These funds invest in fast-growing small and mid-sized companies across four sectors of specialisation: Tech & Telecom, Consumer, Healthcare and Services. Apax Partners acquired Amplitude Surgical in 2011, carried out its IPO in 2015 and has been supporting its growth, with annual sales having increased from €45m in 2010-2011 to nearly €90m at 30 June 2020.

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