Medtronic News

Medtronic to Acquire Medicrea

Medtronic Will Become the First Company to Offer an Integrated Solution Including Artificial Intelligence-Driven Surgical Planning, Personalized Spinal Implants and Robotic Assisted Surgery

DUBLIN and LYON, France, July 15, 2020 (GLOBE NEWSWIRE) --Medtronic plc (NYSE:MDT), a global leader in medical technology, and Medicrea (Euronext Growth Paris: FR0004178572 – ALMED Medicrea; OTCQX Best Market – MRNTF), a pioneer in the transformation of spinal surgery through artificial intelligence, predictive modeling and patient specific implants, today announced that they have entered into a tender offer agreement for the acquisition of all outstanding shares of Medicrea. The friendly voluntary all-cash tender offer will be at a price of €7.00 per Medicrea share (the "Tender Offer"). The Boards of Directors of both companies have unanimously approved the transaction.

This acquisition would strengthen Medtronic's position as a global innovator in enabling technologies and solutions for spine surgery.

"Combining Medtronic's innovative portfolio of spine implants, robotics, navigation, and 3D imaging technology with Medicrea's capabilities and solutions in data analytics, artificial intelligence and personalized implants, would enhance Medtronic's fully-integrated procedural solution for surgical planning and delivery. This marks another important step in furthering our commitment to improving outcomes in spine care," said Jacob Paul, senior vice president and president of the Cranial & Spinal Technologies division, which is part of the Restorative Therapies Group at Medtronic. "Medtronic will become the first company to be able to offer an integrated solution including artificial intelligence driven surgical planning, personalized spinal implants and robotic assisted surgical delivery, which will significantly benefit our customers and their patients."

Medicrea's product portfolio includes MEDICREA® UNiD® ASI (Adaptive Spine Intelligence) designed to support surgeon workflow in pre-operative planning and create personalized implant solutions for surgery. The Medicrea solution is powered by predictive modeling and sophisticated algorithms that measure and digitally reconstruct the spine to its optimal profile.

"Spine surgery is one of the more complex procedures in healthcare because of the high number of different parameters to take into consideration. It is impossible for the human brain to compute all of them for one single patient," said Denys Sournac, founder, chairman and CEO of Medicrea. "The medical world has been waiting for the arrival of customization in spinal surgery. With scientific progress in understanding sagittal balance and spinal injury, combined with the advent of new digital technologies, it is now possible to offer spinal patients entirely customized implants. We are thrilled to be joining forces with Medtronic because we share a similar mission to restore the long-term quality of life for patients. Now, together, we can help more patients in more places benefit from consistently high-quality surgical care."

Key Terms of the Transaction

The Tender Offer price of €7.00 per share represents a premium of:

- 22% over the closing price of Medicrea shares on 14 July 2020
- 33% over the 1-month volume weighted average price of Medicrea shares as of 14 July 2020
- 56% over the 3-month volume weighted average price of Medicrea shares as of 14 July 2020

The Tender Offer will target all the outstanding shares of Medicrea as well as the shares to be issued upon exercise of the warrants subject to their exercise prior to the closing of the Tender Offer.

Medicrea's largest shareholders, including founder, president and CEO Denys Sournac as well as certain other key managers, employees and directors of Medicrea, have entered into commitments to tender their shares (including shares to be issued upon exercise of warrants, but excluding, in the case of Denys Sournac and managers, free shares under lock-up period) in the

Tender Offer.

These commitments remain revocable in case of a higher competing public tender offer in accordance with applicable French financial markets regulations.

With the above-mentioned commitments to tender, Medtronic has entered into agreements with Medicrea shareholders totalling approximatively 44.4% of Medicrea's current outstanding share capital (adjusted for new shares to be issued upon exercise of warrants).

The transaction is subject to customary closing conditions, including obtaining regulatory clearance from the French Markets Authority (the "AMF"), applicable foreign investment clearance in France, and applicable merger control clearance in the United States.

The completion of the Tender Offer will be subject, in addition to the mandatory minimum acceptance condition set out in Article 231-9, I 1° of the AMF Regulation, to a minimum acceptance condition that Medtronic obtains a number of Medicrea shares representing at least 66.67% of the share capital and voting rights.

The Board of Medicrea will issue in due course a reasoned opinion on the merits of the Tender Offer for Medicrea, its shareholders and its employees following receipt of the fairness opinion issued by the independent expert appointed in accordance with Article 261-1, I & III of the AMF Regulation by the ad hoc committee to be created by the Board of Medicrea.

It is expected that the Tender Offer will be filed with the AMF in September 2020. The Tender Offer will be opened once the foreign investment approval in France is obtained, and the Tender Offer would still remain subject to the merger control clearance in the United States.

Assuming receipt of regulatory and other clearances and satisfaction of other closing conditions, the acquisition is expected to close by the end of calendar year 2020. The transaction is expected to be immaterial to Medtronic's adjusted earnings per share in the first two fiscal years before turning accretive in fiscal year 2023. In addition, it is expected to meet Medtronic's long-term financial metrics for acquisitions.

Advisors

BofA Securities and Société Générale are acting as financial advisors to Medtronic, and DLA Piper is serving as legal advisor. Cowen is acting as financial advisor to Medicrea, and Baker McKenzie is serving as legal advisor.

About Medicrea

Through the lens of predictive medicine, Medicrea leads the design, integrated manufacture, and distribution of more than 30 510(k) cleared implant technologies, utilized in over 175,000 spinal surgeries to date. Medicrea is a Small and Medium sized Enterprise (SME) with 175 employees worldwide, which includes 35 employees in New York, NY. The company has a modern manufacturing facility in Lyon, France housing the development and production of 3D-printed titanium patient-specific implants. By leveraging its proprietary software analysis tools with big data and machine learning technologies supported by an expansive collection of clinical and scientific data, Medicrea is well-placed to streamline the efficiency of spinal care, reducing procedural complications and limiting time spent in the operating room.

About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world's largest medical technology, services, and solutions companies – alleviating pain, restoring health, and extending life for millions of people around the world. Medtronic employs more than 90,000 people worldwide, serving physicians, hospitals, and patients in more than 150 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

Any forward-looking statements, including, but not limited to, statements regarding the transaction, the expected timetable for completing the transaction, strategic and other potential benefits of the transaction, Medicrea's products and product candidates, and other statements about Medtronic or Medicrea managements' future expectations, beliefs, goals, plans or prospects, are subject to risks and uncertainties including, but not limited to, the ability and timing to satisfy conditions to closing including regulatory approvals, the impact of the announcement of the transaction on the business, and other risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results. Medtronic and Medicrea caution investors not to place considerable reliance on the forward-looking statements contained in this press release. These forward-looking statements speak only as of the date of this document, and Medtronic and Medicrea undertake no obligation to update or revise any of these statements except to the extent required by law.

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