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## EOS imaging REPORTS 1<sup>ST</sup> QUARTER 2018 REVENUE GROWTH OF 34% AND FULL YEAR 2017 RESULTS

Paris, April 11, 2018, 18h00 CET – EOS imaging (Euronext, FR0011191766 - EOSI), the pioneer of orthopedic medical imaging 2D / 3D, today announces its first quarter 2018 consolidated sales revenue and consolidated results for the full year ended December 31, 2017, as adopted by the Board of Directors on April 11, 2018.

### FIRST QUARTER 2018 & FULL YEAR 2017 HIGHLIGHTS

- Q1 2018 sales increased 34% to €9.5 million, driven by 54% growth in the North American region (76% excluding forex impact) coupled with an increase in average selling price (ASP) despite an unfavorable forex effect
- 2017 revenue up 21% to €37.1 million taking the 5-year CAGR to 32% (2012-2017)
- Gross margin temporarily impacted during the reorganization in North America during 2017
- Robust control of operating expenses
- Cash position of €6.9 million as of December 31, 2017, strengthened in January 2018 by drawing a fourth tranche of €4.9 million on the bond issue

Marie Meynadier, CEO of EOS imaging, commented: *"2017 was a year rich in corporate achievements for EOS imaging. We successfully completed an in-depth remodeling of our North American operations in record time to support our development in this key market, while maintaining strong growth of 54% on the combination of the EMEA and APAC markets. The strong momentum in North America evidenced by Q1 2018 sales growth supports our confidence about the effectiveness of this new organization."*

*Sales growth, driven by the contribution of the North American zone and significant improvement in selling prices, will contribute positively to the increase in the gross margin in 2018. This combined with continued cost control of operating expenses will allow to significantly reduce operating losses over the coming year.*

*The company is further strengthened and well-positioned to respond effectively to the strong acceleration of the adoption of the EOS® system and continue to provide healthcare professionals and patients with innovative solutions tailored to their needs."*

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### REVENUE UP 34% IN FIRST QUARTER 2018, DRIVEN BY NORTH AMERICA

€ millions	Q1 2018	Q1 2017	Var
Equipment sales	7.56	5.47	38%
<i>As a % of total revenues</i>	79%	77%	
Sales of maintenance	1.73	1.40	24%
<i>As a % of total revenues</i>	18%	19%	
Sales of consumables and services	0.26	0.26	0%
<i>As a % of total revenues</i>	3%	4%	
<b>Total revenues</b>	<b>9.54</b>	<b>7.13</b>	<b>34%</b>

*NB. Unaudited data*

**Equipment sales increased 38% compared to the first quarter of 2017 to €7.56 million**, following the sales of 19 EOS® systems, compared to the 14 systems sold in first quarter 2017. Average selling price reached €398 thousand, including currency effects, compared with €391 thousand in 2017.

**Sales of maintenance contracts increased 24% to €1.7 million.** This reflects the continued increase in the installed base of EOS® systems and an associated high contract subscription rate after warranty.

**Sales of consumables and services were stable at €0.3 million.**

€ millions	Q1 2018	Q1 2017	Var
EMEA	3.53	3.21	10%
North America	3.81	2.48	54%
Asia-Pacific	2.21	1.44	53%
<b>Total revenues</b>	<b>9.54</b>	<b>7.13</b>	<b>34%</b>

*NB. Unaudited data*

**Sales in the North American market grew at a historic level of 54% to €3.8 million (76% growth at constant exchange rate).** The strong dynamics observed in the first quarter in the region confirms the trend observed in the fourth quarter of 2017 and abodes for solid growth in coming quarters. ASP in USD in North America was 10% above that of the first quarter of 2017.

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**Sales rose 54% in the Asia-Pacific region to €2.2 million**, boosted by a strong Australian market and new milestones in China.

In the EMEA region, **the company observed continued momentum on all key markets**, with sales growth of 10% at €3.5 million.

### A FULL YEAR OF STRONG ACHIEVEMENTS IN 2017

- **Revenue growth of 21% to €37.1 million**

EOS imaging reported full year 2017 revenue of €37.1 million, an increase of 21% compared to the prior year.

Equipment sales grew by 20% to €30.0 million. Recurring revenues were €7.1 million, up 24% compared to 2016. Recurring revenues included sales of maintenance of €5.9 million and sales of consumables and services of €1.2 million.

In addition, EOS imaging received €1.7 million in public grants in 2017 to support ongoing innovation, including a research tax credit recognized in "Other income".

- **Gross margin temporarily impacted at 45.3%**

Gross margin for the full year 2017 was 45.3%, a decrease compared to the prior year mainly due to a reduction in average selling price which was partially compensated by reductions in average cost of sales.

Average selling price was impacted by (1) the remodeling of the US organization, leading to a lower North American contribution to global revenue as well as a decrease in ASP in the first half of the year, and (2) a forex effect.

- **Solid control of operating expenses**

Operating expenses excluding cost of share-based payments for the full year 2017 totaled €23.4 million, up 11% compared to the prior year. Global operating expenses were 24.3 million and included a €0.4 million increase in the cost of share-based payments.

Operating loss for the full year 2017 was €5.8 million compared with an operating loss of €4.6 million in 2016.

Net financial expense for the full year 2017 totaled €2.0 million, compared to €1.6 million in 2016, reflecting interest expense on the Company's €15.0 million debt financing

Net loss for the full year 2016 was €7.8 million compared with a net loss of €6.2 million in the previous year.

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### Summarized Income statement

<i>In millions of euros</i>	<b>2017</b>	<b>2016</b>
Revenue	37.09	30.77
Other income	1.72	2.33
<b>Total income</b>	<b>38.81</b>	<b>33.10</b>
Direct cost of sales	(20.29)	(16.20)
<b>Gross margin</b>	<b>16.81</b>	<b>14.58</b>
<i>as a % of revenue</i>	<b>45.3%</b>	<b>47.4%</b>
Indirect cost of production and services	(4.12)	(3.83)
Research & development	(4.10)	(3.89)
Sales & marketing	(9.81)	(8.66)
Regulatory expenses	(0.74)	(0.70)
Administrative costs	(4.61)	(3.91)
<b>Total operating expenses excluding cost of goods and share-based payments</b>	<b>(23.38)</b>	<b>(20.99)</b>
Share-based payments	(0.91)	(0.48)
<b>Total operating expenses</b>	<b>(24.29)</b>	<b>(21.46)</b>
<b>Operating income/(loss)</b>	<b>(5.77)</b>	<b>(4.56)</b>
Net financial income/(expense)	(2.01)	(1.61)
<b>Net income/(loss)</b>	<b>(7.78)</b>	<b>(6.17)</b>

*NB. Unaudited data*

### Net cash at December 31, 2017: €6.9 million

As of December 31, 2017, EOS imaging's net cash totaled €6.9 million, compared with €14.9 million at December 31, 2016. A fraction of the first tranche of the IPF debt was reimbursed in 2017, and a rescheduling and drafting of a €4.9 million fourth tranche concluded in early 2018.

Consolidated equity stood at €23.2 million at December 31, 2017, compared with €22.8 million at December 31, 2016.

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### ABOUT EOS imaging

EOS imaging designs, develops and markets EOS®, a major innovative medical imaging solution dedicated to osteoarticular pathologies and orthopaedics combining equipment and services targeting a \$2M per year market opportunity. EOS imaging is currently present in 27 countries, including the United States under FDA agreement, Japan, China and the European Union under CE labelling, through approximately 250 EOS® installed representing around one million patient exams every year. Revenues were €37.1M in 2017, e.g. a +32% CAGR over 2012-2017.

For more information, please visit [www.eos-imaging.com](http://www.eos-imaging.com).

**EOS imaging has been chosen to be included in the new EnterNext© PEA-PME 150 index, composed of 150 French companies and listed on Euronext and Alternext markets in Paris.**

EOS imaging is listed on Compartment C of Euronext Paris  
ISIN: FR0011191766 – Ticker: EOSI



**Next press release: Release of Q2 2018 sales in July 17, 2018**

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