

PRESS RELEASE

EOS imaging REPORTS FIRST HALF 2018 FINANCIAL RESULTS

+11% sales growth driven by positive momentum in North America and Asia-Pacific regions, tampered by forex effects (+7% including forex impact)

520 points increase in gross margin to 50.3% of sales

Strengthened cash position following issuance of convertibles and financing agreement with Fosun⁽¹⁾

Paris, September 13, 2018 – 6pm (CEST) – EOS imaging (Euronext, FR0011191766 – EOSI - Eligible PEA - SME), the pioneer of 2D/3D imaging and data solutions for orthopedics, today announced its consolidated results for the six months ended June 30, 2018, as stated by the Board of Directors on September 12, 2018.

□ **First Half 2018 Financial Results**

<i>in millions euros (unaudited)</i>	H1 2018	H1 2017
Sales	17,54	16,46
Other Incomes	0,77	0,82
Total Income	18,31	17,28
Cost of good sales	(8,73)	(9,03)
Gross Margin as % of sales	50,3%	45,1%
Operating expenses	(12,38)	(10,91)
Operating Result	(2,79)	(2,66)
Financial Result	(3,05)	(1,06)
Net Result	(5,84)	(3,72)
	June 30, 2018	December 31, 2017
Cash Position	8,9⁽²⁾	6,9

(2) Excludes Fosun Pharmaceuticals AG financing agreement signed post-closing

Marie Meynadier, Chief Executive Officer of EOS imaging, commented: *"Our results for the first half of 2018 reflect a 520 points increase in gross margin to 50.3% of sales. This strong improvement is the combined result of our rising average selling price and reducing manufacturing and servicing costs. As previously reported, first half sales grew by 11%, excluding forex impact, following strong growth in Asia-Pacific and North America partially offset by forex effects and delayed sales in EMEA. The additional €15.1 million expected from our recent financing with Fosun will support our ability to accelerate growth in North America, Europe, and Asia-Pacific, our three major markets. We believe that EOS imaging is well positioned for a strong finish to 2018 and look forward to further establishing a solid foundation in the market for our EOS® system as we continue expanding our global presence with safe and superior technology."*

□ **+11% sales growth over H1 2018 excluded forex impact**

In the first half of 2018, EOS imaging generated sales revenue of €17.5 million, up +11% compared to the first half of 2017, i.e. +7% including forex impact. This increase in revenues was driven by strong sales in Asia-Pacific and North America, partially offset by postponed sales in Europe-Middle East-Africa.

The Company sold 34 EOS® systems during the first half of the year, in line with first half 2017, including a positive trend in average selling price. Revenues from equipment sales was €13.6 million, up +8% compared to 2017 (+4% including forex impact).

⁽¹⁾ *The issuance of the new shares to Fosun Pharmaceutical AG and their admission to trading on Euronext Paris are expected to occur after the approval by the relevant Chinese government authorities and the visa from the AMF on the prospectus. The new shares will then be admitted to trading on the Euronext regulated market in Paris under ISIN FR0011191766 – EOSI. EOS imaging's share capital will consist of 26,130,407 shares following the settlement-delivery.*

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Recurring revenues grew +19% to €3.9 million, including €3.5 million in maintenance revenue and €0.5 million revenue of consumables and services. The +22% increase in maintenance revenue reflects the continued increase in the installed base of EOS® systems under contract.

□ +19% increase in H1 2018 gross margin at €8.8 million, a 520 base point increase in Gross Margin rate

Gross profit for the first half of 2018 improved by +19% to €8.8 million representing 50.3% of sales, as compared to 45.1% during the same period last year. This reflects EOS® systems increasing pricing power, a solid North America contribution to the regional mix, as well as the company's efforts to reduce manufacturing and maintenance costs.

□ Controlled increase of Operating Expenses

Operating expenses for the first half of 2018 totaled €12.4 million, up +13% compared to the same period last year to support EOS imaging's business objectives. The increase was mostly associated with the development of the sales organization in all areas, and particularly in North America, initiated in the second half of 2017.

Operating loss for H1 2018 was (€2.8) million, compared with an operating loss of (€2.7) million in the same period last year, reflecting the positive effect of improved gross margin leveraging the increase of commercial expenses.

Net financial loss for H1 2018 totaled (€3.1) million, compared to (€1.1) million in the same period last year, reflecting the early reimbursement of €18.0 million debt financing.

Net loss for the first half of 2018 was (€5.8) million, compared with a net loss of (€3.7) million in the same period last year, mainly due to refinancing.

□ Improving Equity and Cash Positions

EOS imaging's cash position at June 30, 2018 was €8.9 million, compared with €6.9 million at December 31, 2017.

Equity at June 30, 2018 was €21.1 million, compared with €23.2 million at December 31, 2017. It includes the period financial results, the exercise of options as well as an equity component associated with the successful raise of €29.5 million in convertible notes, which was followed by the full repayment of the Company's venture debt. This has allowed the Company to enter into a first agreement to factor part of its receivables, that will be broadened in the second half year.

Additionally, EOS imaging entered into a binding agreement with Fosun Pharmaceuticals AG on July 17, 2018 to issue 3,446,649 new shares at a nominal value of €0.01, for a price per share of €4.37, issue premium included, which amounts to a total amount of €15.1 million. This is excluded from the June 30, 2018, cash position.

EOS imaging's first half year 2018 financial report will be posted on its web site at www.eos-imaging.com.

Next financial release: Announcement of Q3 2018 Sales on October 16th, 2018

ABOUT EOS IMAGING

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



EOS imaging designs, develops and markets EOS®, a major innovative medical imaging solution dedicated to osteoarticular pathologies and orthopedics combining equipment and services and targeting a \$2B per year market opportunity. EOS imaging is currently present in 33 countries, including the United States under FDA agreement, Japan, China and the European Union under CE labelling, through the over 280 installed EOS® platforms representing more than 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.

EOS imaging has been selected to integrate the EnterNext © PEA - PME 150 index, composed of 150 French, listed companies on the Euronext markets in Paris.



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