



EOS imaging Announces Full Year 2013 Financial Results

Strong increase in sales of 61%

Further improvement in gross margin: +3 pts

Substantial reduction in operating loss

14% revenue increase for the first quarter of 2014

Paris, April 8, 2014: EOS imaging (Euronext, FR0011191766 – EOSI), the pioneer in 2D/3D orthopedic medical imaging, eligible for *PEA-PME* equity savings plans, today announced 2013 consolidated annual results for the year to December 31, 2013, as approved by the Company's Board of Directors on April 8, 2014. EOS also announced its revenue results for the first quarter of 2014.

<i>In millions of euros</i>	2013	2012
Operating income		
Revenue	15.17	9.42
Other income	1.50	0.97
Total income	16.67	10.39
Operating expenses		
Direct cost of sales	-8.69	-5.66
Gross margin	6.48	3.77
<i>% of revenue</i>	43%	40%
Indirect cost of production and services	-2.25	-1.59
Research & development	-2.60	-2.16
Sales & Marketing	-5.12	-4.22
Regulatory expenses	-0.57	-0.67
Administrative costs	-2.69	-2.38
Total operating expenses (excluding Direct cost of and Share-based payments)	-13.23	-11.02
Share-based payments	-1.13	-1.40
Total operating expenses	-23.04	-18.09
Operating P/L	-6.37	-7.70
Net P/L	-5.88	-7.22

Audited data



- **Buoyant revenue growth in 2013: 61% increase to €15.17 million**

EOS imaging posted 2013 revenue of €15.17 million, up 61% from 2012.

Driven by sales of 34 systems, revenue from EOS® equipment totaled €13.43 million in 2013, an increase of 58%. Sales of services increased by 71% to €1.54 million.

The Company also received €1.50 million in public financing in 2013 to bolster its innovation efforts, including a research tax credit, recorded as “other income.”

- **Improvement in gross margin and operating results**

The ongoing reduction in production and maintenance costs contributed to a further improvement in the Company’s gross margin, which represented 43% of revenue in 2013 compared to 40% in 2012. This three percentage point improvement occurred despite a negative currency effect of 1 percentage point on gross margin compared to the prior year.

The increase in operating expenses (excluding the direct cost of sales and share-based payments) was limited to 20% in 2013, which compares favorably to the 61% increase in sales.

The indirect cost of production and services totaled €2.5 million and represented 15% of revenue, compared to 17% in 2012. Sales and marketing costs, which increased by 21% in 2013, totaled €5.1 million and accounted for 39% of operating expenses. Research and development expenses, which increased by 21%, totaled €2.6 million and represented 17% of revenue compared to 23% in 2012. Other expenses increased by 7% and represented 21% of revenue compared with 32% in 2012.

Once share-based payments are taken into account, the Company’s operating loss decreased to €6.37 million in 2013, or to 41% of revenue compared to 82% of 2012 revenues.

The Company recorded a net loss of €5.88 million in 2013 compared to €7.22 million loss in 2012, reducing overall net loss from 2012 by 19%.

The Company’s total number of employees was 101 as of December 31, 2013 as opposed to 62 on December 31, 2012. This notable increase in EOS’ workforce was the result of recruitment throughout 2013 to accompany the growth in activity. This personnel increase also reflects the integration of OneFit Medical’s workforce into EOS. The average consolidated headcount was 77 employees in 2013 compared to 58 in 2012.

- **Net cash position at December 31, 2013: €15.75 million**

As of December 31, 2013, EOS imaging had a net cash position of €15.75 million. At the end of December, the Company had shareholders’ equity of €30.07 million, compared with €31.5 million at December 31, 2012.

- **Sales for the 1st quarter of 2014: €2.16 million**

Over the first quarter of 2014, EOS imaging recorded revenue of €2.16 million – an increase of 14 % from the same period in 2012.



<i>In millions of euros</i>	March 31, 2014	March 31, 2013
Equipment sales	1.56	1.60
<i>% of total</i>	73%	84%
Sales of services	0.45	0.30
<i>% of total</i>	20%	16%
Sales of consumable and related services	0.15	-
<i>% of total</i>	7%	-
Total revenue	2.16	1.90

Unaudited data

Revenue from equipment sales totaled €1.56 million in the first quarter of 2014, corresponding to the sale of four EOS® systems, an identical performance to that recorded in the first quarter of 2013. The average sale price of each system was €390,000, compared with €399,000 a year earlier.

Sales of services increased by 47% over the first quarter of 2014, totaling €0.45 million compared with €0.30 million in the same quarter of 2013. This growth is a result of the expansion in the number of installed EOS® systems.

Sales of consumables and related services associated with the integration of OneFit Medical came to €0.15 million in the quarter.

<i>In millions of euros</i>	March 31, 2014	March 31, 2013
EMEA	0.80	0.60
North America	0.61	1.30
Asia	0.74	-
Total revenue	2.16	1.90

Unaudited data

Marie Meynadier, CEO of EOS imaging, commented: *“The buoyant growth in our sales in 2013 reflects the medical community’s adoption of the innovation provided by EOS to osteoarticular imaging and orthopedic surgery. Combined with the continual improvement in our gross margin and tight management of our expenses, this adoption has enabled us to significantly reduce our operating loss. The acquisition of OneFit Medical at the end of the year will intensify the development of our consumable and software service offerings related to EOS system sales. The year 2013 also saw remarkable successes in the Asia-Pacific region. The first quarter of 2014, whose contribution to annual revenue is traditionally very low, reflects a gradual rebalancing of our sales on our three main markets, on which EOS is continuing its improvement despite a lengthening of sales cycles in North America.”*



About EOS imaging:

EOS imaging designs, develops, and markets EOS[®], a revolutionary and patented medical imaging system, based on technology that enabled George Charpak to win the Nobel Prize for Physics. The Company is authorized to market the system in 31 countries, including the United States (FDA), Japan, Canada, Australia and the European Union (EU). Backed by an installed base of over 80 sites and more than 400,000 imaging sessions, EOS[®] benefits from worldwide recognition within the global medical community. As of December 31, 2013 the Group posted 2013 consolidated revenue of €15.2 million and employs 101 people including an R&D team of 38 engineers. The Group is based in Paris and has four subsidiaries in Besançon (France), Cambridge (Massachusetts), in Montreal (Canada) and Frankfurt (Germany), and offices in Singapore. For further information, please visit: www.eos-imaging.com.

EOS imaging is listed on Compartment C of Euronext Paris

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Next press release: revenue for the 1st half of 2014, on July 22, 2014 (after market).



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