

PRESS RELEASE

EOS imaging Reports Full Year 2015 Results and Q1 2016 Revenue

- **2015 revenue of €21.8 million, up 9%**
- **2015 operating loss stable at €6.7 million**
- **Cash position: €14 million at December 31, 2015**
- **Strong revenue growth of 60% in Q1 2016, including excellent momentum in the United States and Europe**

Paris, April 28, 2016 – EOS imaging (Euronext, FR0011191766 – EOSI), the pioneer in 2D/3D orthopedic medical imaging, today announced consolidated results for the full year, ended December 31, 2015, as approved by the Board of Directors on April 28, 2016, together with its revenue for the first quarter of 2016.

Marie Meynadier, CEO of EOS imaging, commented: *“A key highlight from 2015 was the development of new functionality in the EOS platform through EOS Apps. The expansion of our offering to online software applications allows physicians to further leverage the EOS 2D/3D images and the patient’s anatomical data to plan and execute orthopedic procedures, with the goal of a better control of the quality and costs associated with orthopedic therapies.*

“In 2015 we continued to expand our business in our three major markets, and the very strong growth we achieved in the first quarter of 2016 reflects excellent momentum in the United States and in Europe. We expect this momentum to spread to the Asia-Pacific region, driven by marketing approval in China, receipt of Innovative Technology status in South Korea, and formation of a strategic partnership in Japan, all in the first quarter of 2016.”

2015 FINANCIAL HIGHLIGHTS

- **Revenue growth of 9% to €21.8 million**

EOS imaging reported full year 2015 revenue of €21.8 million, an increase of 9% compared to the prior year.

Equipment sales grew by 4% to €17.9 million, reflecting the sale of 44 EOS® systems. Sales of maintenance contracts increased 49% to €3.1 million, driven by the expansion of the EOS® system installed base. Sales of consumables and related services totaled €0.8 million.

In addition, the Company received €1.8 million in public grants in 2015 to support ongoing innovation, including a research tax credit recognized in “Other income”.

- **Gross margin and operating expenses**

Gross margin for the full year 2014 and 2015 was 47%. Over the past three years, the Company’s gross margin has improved 400 basis points.

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Operating expenses for the full year 2015 totaled €30.3 million, up 9% compared to the prior year. Operating loss for the full year 2015 was €6.7 million, compared with an operating loss of €6.2 million in 2014. This represented 31% of revenue in both periods.

Net financial expense for the full year 2015 totaled €0.5 million, reflecting interest expense on the bond issued at the beginning of the year. Financial income for the full year 2014 was €0.9 million, which includes the adjustment to the acquisition cost of OneFit.

Net loss for the full year 2015 was €7.2 million, compared with a net loss of €5.2 million in the previous year. This difference was primarily driven by the trend in net financial expense.

The Company had 122 employees at December 31, 2015, compared with 107 employees at December 31, 2014.

▪ Summarized Income Statement

<i>In millions of euros</i>	2015	2014
Revenue	21.81	20.06
Other income	1.84	1.66
Total income	23.65	21.72
Direct cost of sales	-11.62	-10.62
Gross margin	10.19	9.44
<i>as a % of revenue</i>	<i>47%</i>	<i>47%</i>
Indirect cost of production and services	-3.49	-2.76
Research & development	-3.74	-3.21
Sales & marketing	-7.04	-6.88
Regulatory expenses	-0.63	-0.65
Administrative costs	-3.58	-3.25
Total operating expenses	-18.48	-16.75
Share-based payments	-0.22	-0.50
Operating income/(loss)	-6.67	-6.15
Net financial income/(expense)	-0.51	+0.90
Net income/(loss)	-7.18	-5.25

Audited financial statements

▪ Net cash at December 31, 2015: €14.1 million

As of December 31, 2015, EOS imaging's net cash totaled €14.1 million, compared with €10.2 million at December 31, 2014. Consolidated equity stood at €27.8 million at December 31, 2015, compared with €25.5 million at December 31, 2014.

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▪ First-quarter 2016 revenue up 60% to €5.33 million

In the first quarter of 2016, EOS imaging recorded revenue of €5.33 million, up 60% compared with the same period of the previous year. This growth was driven by business momentum in the United States and a strong growth in Europe.

<i>In millions of euros</i>	Q1 2016	Q1 2015
Equipment sales	4.09	2.50
<i>as a % of total revenue</i>	<i>77%</i>	<i>75%</i>
Sales of maintenance contracts	0.99	0.63
<i>as a % of total revenue</i>	<i>18%</i>	<i>19%</i>
Sales of consumables and services	0.24	0.19
<i>as a % of total revenue</i>	<i>5%</i>	<i>6%</i>
Total revenue	5.33	3.32

Unaudited figures

Equipment sales contributed revenue of €4.09 million, up 64% compared to the first quarter of 2015. This reflects the sale of ten EOS® systems, compared with six in the same period of the previous year. Six systems were sold in North America and four systems were sold in the EMEA region, compared with four and two systems in these two regions, respectively, in the corresponding period of the previous year. The average sales price per system was stable at €409,000, compared with €406,000 in 2015.

Sales of maintenance contracts increased by 57% in the first quarter of 2016 to €0.99 million, compared with €0.63 million in the first quarter of 2015. This strong increase reflected the expansion in the installed base of EOS® systems and a high pull-through rate of maintenance contracts with system sales.

Sales of consumables and services came to €0.24 million in the first quarter of 2016, compared with €0.19 million in the first quarter of 2015.

<i>In millions of euros</i>	Q1 2016	Q1 2015
EMEA	2.45	1.30
North America	2.85	2.02
Asia	0.03	0.00
Total revenue	5.33	3.32

Unaudited figures

KEY EVENTS OF 2015

▪ Major milestones in the Company's international expansion

- ✓ Initial installations in Hong Kong, the Middle East and Belgium;
- ✓ Strong sales growth in North America, which contributed 48% of the Company's total revenue;
- ✓ FDA clearance for the Micro Dose feature for pediatric imaging.

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- **Further enhancement of the EOS system with the development of new software applications**
 - ✓ Launch of EOS 3D services, the 3D modelling solution;
 - ✓ CE Mark for kneeEOS, an online 3D planning software application for total knee arthroplasty.
- **Completed €8.7 million private placement**

SUBSEQUENT EVENTS

- Licensing agreement and an exclusive partnership in spine surgery planning with Spinologics;
- EOS system awarded Innovative Technology status by the South Korean health agency;
- Co-promotion agreement with Stryker in the United Kingdom;
- CFDA marketing approval for the EOS system in China;
- Co-marketing agreement with Medtronic Japan;
- FDA approval for spineEOS online spine surgery planning software.

For more information, please visit 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: 2016 First-half sales on July 28, 2016

About EOS imaging

EOS imaging designs, develops, and markets EOS[®], an innovative medical imaging system dedicated to osteoarticular pathologies and orthopaedics, as well as associated solutions. The Company is authorized to market in 51 countries, including the United States (FDA), Japan, China, and the European Union (EC). The Group posted 2015 revenues of €21.8 million and employs 107 people including an R&D team of 39 engineers. The Group is based in Paris and has five subsidiaries in Besançon (France), Cambridge (Massachusetts), Montreal (Canada), Frankfurt (Germany) and Singapore.



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