French Public Limited Company (Société Anonyme), with share capital of €202,419.74
Registered office: 10 rue Mercœur, 75011 Paris
Paris Trade and Companies Register No. 349 694 893

2015 ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

1. STATEMENT OF RESPONSIBILITY

PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Marie Meynadier, CEO of EOS IMAGING.

STATEMENT BY THE PERSON RESPONSIBLE

«I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of the company and of the Group, and that the accompanying management report faithfully presents the business performance, results and financial position of the Company and of the Group along with a description of the main risks and uncertainties faced by the Group”.

Paris, April 28, 2016

Marie Meynadier, CEO of EOS Imaging

2. MANAGEMENT REPORT BY THE BOARD OF DIRECTORS ON THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Dear Shareholders,

Please find below the management report prepared by the Board of Directors in accordance with the provisions of Article L. 232-1 of the French Commercial Code.

The Board of Directors has called a General Meeting to report to you on the performance of our Company during the financial year ended 31 December 2015, to present you with the financial statements and results and to ask you to approve them.

The reports of the Statutory Auditors, the report of the Board of Directors, the listing of assets and the financial statements for the period and, more generally, all the documentation and information detailed in Articles L. 225-115 and R. 225-682 of the French Commercial Code were made available to you by the statutory deadlines.

At its meeting on 28 April 2016, the Board of Directors reviewed the consolidated financial statements for the financial year ended 31 December 2015 and approved said financial statements. These consolidated financial statements have been prepared in accordance with IFRS.

1. POSITION OF THE GROUP DURING THE FINANCIAL YEAR UNDER REVIEW

1.1.1. Review of business activities and material events during 2015

The Group develops an innovative imaging medical device for musculoskeletal disorders and orthopaedic treatments, as well as related software applications.

1.1.2. Important activities and events over the course of the 2015 financial year

Bond issue:

On 9 January 2015, the company issued:

- 60,000 bonds with stock warrants attached (OBSA) each with a nominal value of €9, for a total of €540,000. Three warrants are attached to each OBSA, each of which gives the right to subscribe for one share at the exercise price of €4.71. The warrants may be exercised in whole or in part, on one or more occasions, before 9 January 2022.

- Three tranches of ordinary bonds at the price of €1 for a total amount of €14,460,000. The Group issued OBSAs in the amount of €540,000, as well as three tranches of ordinary bonds for a total principal amount of €14,460,000. The first two tranches of bonds, for €4,460,000 and €5,000,000, were subscribed for by IPF Partners in March 2015 and December 2015, respectively.

The bonds have a term of 4 years and carry an interest rate equal to Euribor plus 7.75%.

Exercise of 603,449 warrants relating to the earn-out on acquisition of OneFit Medical shares

In November 2013, EOS imaging acquired 100% of the shares in OneFit Medical for €4 million. The acquisition memorandum of understanding envisaged an earn-out clause of €1 million, tied to achieving regulatory and revenue objectives, to be paid to the former shareholders in OneFit Medical as a grant of 1,810,347 warrants (BSA) to subscribe for 172,416 new shares in EOS imaging.
Taking into account the partial achievement of the objectives, this earn-out of €1 million was reduced to €250,000, accounted for as a financial liability as at 31 December 2014.
During the first quarter of 2015, the formers shareholders in OneFit Medical exercised the 603,449 warrants granted in connection with these objectives and subscribed for 43,102 new shares. The resulting increase in capital was accounted for in the accounts closed at 31 December 2015.

Completion of a private placement

On 6 October 2015, EOS imaging issued 1,789,909 new shares with a nominal value of €0.01, at the price of €4.85, including issue premium, for a total amount of approximately €8.7 million, representing 9.7% of the Company's share capital.

The principle behind the transaction was authorized on 1 September 2015. The transaction was implemented by a decision of the Board of Directors on 5 October 2015 and by a decision of the CEO on 6

October 2015, in accordance with the delegation of authority granted by the Combined General Meeting of shareholders on 17 June 2015.

The capital increase was carried out by issuing ordinary shares with no preferential subscription rights to the investors through a private placement in accordance with Article L.411-2 II of the French Monetary and Financial Code.

On completion of the transaction, the Company's share capital increased to €202,420 and is made up of 20,228,974 ordinary shares, fully subscribed and paid up, each with a par value of €0.01.

Incorporation of a subsidiary in Singapore

On 6 May 2015, the company incorporated a subsidiary in Singapore, wholly owned by EOS imaging SA. It has a share capital of €47k. This subsidiary did not generate any revenue during financial year 2015.

1.1.2 Research and development

EOS imaging has established a team of 47 R&D engineers based in Paris and Besançon, France.

In 2015, the Company continued its development programs, focusing on the development of new software functionalities and hardware associated with EOS and aimed at specific applications in osteo-articular pathologies. A significant event in 2015 was the development of the online EOSapps software suite for planning, performance and post-operative monitoring of hip, knee and spine operations, which will be gradually rolled out onto the market. The connectivity and interoperability of these applications with hospital information systems have also undergone development.

At the same time, the Company is making progress with developments that aim to reduce the manufacturing costs of its EOS equipment.

1.1.3 Production and maintenance

EOS imaging continued its efforts to strengthen productivity, which translated into a 3% reduction in the manufacturing cost of EOS devices. Alongside the Group's business growth, the installed base of EOS equipment grew by more than 30%, with almost 140 installed devices as at 31 December 2015. These devices are maintained by Group teams, with the assistance of its network of distributors.

1.1.4 Clinical

As noted in section 6.4.3, internal studies are carried out as part of the regulatory process to obtain commercial authorization.

In 2015, the Company continued to support clinical studies undertaken by several medical teams worldwide that use EOS. The year was marked by the internationalization of hospitals involved in clinical studies in Japan, Germany and the United States; the increased number of papers at major conferences (+57%) and the increased number of publications (+33%); lastly, the involvement of internationally renowned clinicians in the development of the software associated with EOS.

Lastly, in 2015, the Company acquired a license over software technology that predicts the development of idiopathic scoliosis in adolescents, based on EOS 3D parameters. This technology is the subject of a multi-center trial in 8 centers that use EOS.

1.1.5 Sales and Marketing

EOS imaging continued its commercial development in 2015, with sales revenue up 9%.

In addition to sales of EOS equipment and associated maintenance contracts, the Group has begun to sell software tools and applications to assist with the planning, performance and monitoring of orthopaedic surgery, the EOSapps. The Company anticipates modest revenues from this business over the short term and expects it to bear fruit over the medium term with recurring revenue from the EOS installed bases.

Equipment sales grew by 4% and recurring revenues grew by 38%.

1.1.6 Human resources

To support its growth, the Group has continued its recruitment during the 2015 financial year.

EOS imaging's consolidated workforce as of 31 December 2015 totaled 121 people, as compared to 107 as of 31 December 2014.

The year-on-year increase in the headcount by 15 persons is due, in particular, to five additions to the maintenance teams, with a view to supporting the expansion in equipment maintained, three hires in the R&D Department to continue to pursue current development, five new arrivals in the marketing and sales teams and two hires in the administrative teams.

The average consolidated workforce rose from 106 in 2014 to 116 in 2015.

The year-on-year increase in the average headcount of 10 persons can be explained by the full year impact of 6 hires made in 2014, representing an increase of 3 people in the average headcount. The remainder of the increase is due to the recruitments made in 2015.

1.1.7 Progress made – difficulties encountered

EOS continues to be adopted by more leading medical facilities, thereby strengthening the Group's strategic position worldwide, which now includes a new range of services and tools for surgical procedures with positioning of orthopedic implants.

After a particularly strong 2014 in Asia-Pacific, when the Group first entered this market, the revenue generated in this region fell by 60% in 2015. At the end of 2015, the Company restructured its business in Japan, one of the key regional markets. The reorganization, linked with EOS being recognized, in February 2016, as an innovative technology in Korea, and with obtaining marketing approval from the CFDA in China in March 2016, should allow the business to return to strong growth in 2016.

The Europe-Middle East region recorded limited growth of 6%. The strengthening of the commercial structure during the first half of 2016 should enable the business to return to solid growth.

Revenue in North America grew by 76% in 2015 and reflects the fact that EOS technology has been adopted by the Group’s largest market.

Beyond specific market features, the Group's development remains sensitive to cost control policies by public health organizations which can slow down the investment decision-making process.

1.1.8. Changes to the Board of Directors

The directorship and chairmanship of Michael J Dormer came to an end at the General Meeting held on 17 June 2015, called to approve the accounts closed on 31 December 2014.

At the same time, the directorship of Philip Whitehead also came to an end.

At the Combined General Meeting of 17 June 2015, Gérard Hascoët was appointed as director for a period of three years ending at the close of the General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017. The meeting of the Board of Directors held on 10 July 2015 appointed Gérard Hascoët as Chairman of the Board of Directors for the remaining period of his directorship, which is until the close of the Ordinary General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017.

At the Combined General Meeting of 16 October 2015, Paula Ness Speers was appointed as director for a period of three years ending at the close of the General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017.

1.2. Review of activities

1.2.1. Sales revenue

In 2015, EOS imaging generated annual revenue of €21.8 million, an increase of 9%.

Revenue from equipment sales grew to €17.9 million, an increase of 4%.

Recurring revenues grew by 38%. They can be broken down into revenue from maintenance and from sales of consumables and services, which respectively grew by 49% to €3.1 million from €2.1 million in 2014, and by 9% to €0.83 million from €0.76 million in the previous financial year.

1.2.2. Other income

Other income comprised government funding received as part of research programs (Research Tax Credit and subsidies). It amounted to €1,844k, up 11% over the preceding year.

The Research Tax Credit was €1,398k, up 19% over 2014 in line with the growth in research expenditures incurred during the year.

Subsidies amounted to €446k, against €478k in 2014. They reflect the expenses made under three European and national programs, currently underway.

The amount of subsidies and Research Tax Credit included in profit and loss over the period are restated for the share of research funding activated for the financial year. The gross amount of public funding recognized over the year stands at €2,056k.

1.2.3. Direct cost of sales

Direct costs of sales consist primarily of costs of production, transportation, and installation of equipment sold during the period, as well as maintenance costs for equipment installed and maintained by EOS imaging.

As the system integration phase is sub-contracted, production costs are mainly purchasing and sub-contracting costs, the increase in which is directly related to the system production volumes over the period.

The 31% increase in the size of the maintained installed base over the course of the financial year translated into an increased consumption of spare parts, which caused the profit margin for the period to slightly decrease. Likewise, the profit margin was affected by increased staff costs caused by the fact that maintenance teams had to be expanded.

Increased productivity translated into a 3% reduction in the manufacturing costs of equipment, reduced by a negative exchange rate effect for purchases in foreign currencies.

Lastly, the 9% increase in the average sale price of equipment, facilitated by favorable movements in exchange rates, led to growth of more than 2 percentage points in the gross margin.

These different effects resulted in a stable margin, at 47%, identical to 2014.

1.2.4. Indirect cost of production and service

Indirect costs of production and service rose 27% over the year. This comprises salaries and the cost of sub-contracting functions not directly involved in the production or maintenance process (supply chain, planning, quality control and back office support), as well as travel expenses and external purchases. Thee rise in costs can, for the most part, be explained by an increase in travel expenses and sub-contracting costs incurred by the support functions.

1.2.5. Research and development expenses

As stated in section 1.1.1, in 2015 the Company continued its efforts to develop new features for EOS and its software applications. For the most part, R&D costs recognized for the period consist of the R&D team's salaries, of which the component for development costs is capitalized, and sub-contracting costs. The resulting R&D costs rose 16% over the financial year, from €3,209k in 2014 to €3,744k in 2015.

For the most part, R&D costs recognized for the period consist of the R&D team's salaries, of which the component for development costs is capitalized, and sub-contracting costs. They include the amortization of capitalized development costs, the net amount of which was posted in assets at €1,620k as of 31 December 2015.

If IFRS restatements are excluded, costs incurred over the course of the period amount to €4.3m in 2015 compared to €3.8m in 2014, growth of 13%.

1.2.6. Sales, marketing and clinical expenses

Sales and marketing expenses increased 2% year on year, totaling €7,041k. The increase is the result of stability in staff costs in 2015, after a sharp rise in 2014.

1.2.7. Regulatory costs

Regulatory costs were down 4% compared to the previous financial year, during which significant expenditure was incurred in connection with new requests for regulatory approvals (Taiwan, Brazil and Korea).

1.2.8. Administrative expenses

Administrative expenses increased by 8% over the 2015 financial year. The rise can be explained by an increase in external purchases (IT costs, a significant increase in insurance costs in correlation to the growth in the Group’s business in the United States, and miscellaneous fees).

1.2.9 Share-based payments

In 2012, the Board of Directors granted free shares, stock options and warrants. In its meeting on 23 May 2014, the Board of Directors also issued 223,000 stock options to employees of the Company and its subsidiaries.

On 8 December 2015, the Board of Directors of the EOS imaging Group decided to award 181,500 free shares to its employees.

The charge resulting from these awards was determined by applying the Black-Scholes model, in accordance with the assumptions developed in Note 18 to the consolidated financial statements. It was €218k in 2015 as against €498k in 2014.

1.2.10 Operating income (loss)

The Group made an operating loss of €6,661k, compared to €6,152k in 2014. It represents 31% of revenue, a stable performance when compared to the previous financial year.

1.2.11 Financial profit (loss)

The Group made a net financial loss of €520k compared to net financial profit of €907k in 2014.

The 2015 financial year was affected by the interest expense on the bonds, as set out in note 2 of the consolidated financial statements. As a reminder, the financial income for 2014 included the price adjustment for OneFit of €750k.

1.2.12. Profit (loss) for the period

The Group posted a net loss for financial year 2015 of €7,181k, against a loss of €5,245k in 2014. As set out above, this increase reflects the size of the financial loss which detracted from the Group's operating performance.

1.3. Legal disputes

The Group is not involved in any new legal disputes. The only trade receivable flagged as potentially non-recoverable has been fully written down in the financial statements.

1.4. Future development and outlook

The Group is continuing to develop functionalities associated with the EOS product with a view to making low dose 2D/3D images and the associated patient data standard in surgical and non-surgical orthopedic care. The Group is, in this respect, involved in expanding its current offering with online software services that meet the objectives of managing quality and the costs associated with orthopedic treatments, and that are based on the strength and the low radiation of EOS examinations.

At the same time, the Group is pursuing a dynamic commercial strategy to increase the number of EOS installed bases in the three large markets in which it operates (Europe-Middle East, North America, Asia-Pacific). A continuous stream of new medical publications and the adoption of EOS by new leading establishments supports and strengthens the Group's commercial activity.

At 31 December 2015, nine of the ten best US orthopedic hospitals and four of the five best US pediatric hospitals have adopted EOS.

1.5. Subsidiaries and equity interests

The Group consists of EOS imaging SA, which wholly owns its four subsidiaries:

EOS imaging Inc.:

EOS imaging, Inc., based in the United States, is a US company with a share capital of US$1, with its registered office at Suite #410, 185 Alewife Brook Parkway, Cambridge, MA 02138, USA;

This entity handles the sale of the Group's products in American territory. As of 31 December 2015, it generated revenue of US$10,727k (or €9,667k) and a net loss of US$2,020k (or €1,821k).

EOS imaging GmbH:

Based in Germany, EOS imaging GmbH is a company under German law, with share capital of €25,000 and headquartered at Theodor-Stern-Kai 1, 60596 Frankfurt am Main;

This entity is responsible for selling the Group's products in Germany. As of 31 December 2015, it generated revenue of €549k and a net loss of €181k.

EOS image Inc.:

Based in Canada, EOS image Inc. is a company incorporated in view of Part IA of the Quebec Companies Act, and the registered office of which is located at 300 rue du Saint Sacrement, Montreal, Quebec, Canada. This entity is responsible for marketing the Group's products in Canada.

As of 31 December 2015, it generated revenue of CA$1,058k (or €746k) and a loss of CA$247k (€174k).

OneFit Medical SAS:

Based in France, OneFit Medical is a simplified joint-stock company (French SAS) whose registered office is at 18 rue Alain Savary in Besançon. This entity develops and markets software applications and customized cutting guides for orthopedics.

As of 31 December 2015, it generated revenue of €1,032k and a net loss of €341k.

EOS imaging Pte Ltd:

Based in Singapore, EOS imaging Pte Ltd is an Asian company with a share capital of 70,000 Singapore dollars, whose registered office is at 51 Goldhill Plaza, #21-02/06, Singapore (308900). This entity is responsible for marketing the Group's products in South-East Asia.

As of 31 December 2015, it generated no revenue and recorded a net loss of $74k SING (or €48k).

In 2015, EOS imaging SA billed its subsidiaries:

- for equipment sales, in the amount of €7,731k;
- for management fees, in the amount of €1,234k;
- for interest on current accounts, in the amount of €98k.

1.6. Subsequent events

BPI repayable advance and debt write-off:

At the meeting of the collaborative projects monitoring committee on 27 January 2016, the members acknowledged partial commercial success for EOS imaging, with a debt write-off of €268,928.

Resignation of a director:

NBGI Private Equity resigned as director on 23 February 2016.

China Food and Drug Administration (CFDA) Approval

The Group received in March 2016 approval from the China Food and Drug Administration (CFDA) to market the EOS system in China

Exclusive licensing agreement

New partnership with Montreal-based Spinologics to develop a biomechanical simulation software dedicated to spine surgery planning

Partnership with Stryker

Co-promotion agreement with Stryker for the UK market

2. POSITION OF THE COMPANY DURING THE FINANCIAL YEAR UNDER REVIEW

2.1. Review of business activities and material events during 2015

The highlights for the Group parent company are shown in Section 1.1. above.

2.2. Changes to the Board of Directors

As stated in paragraph 1.1.8, the directorship and chairmanship of Michael J Dormer came to an end at the General Meeting held on 17 June 2015, called to approve the accounts closed on 31 December 2014.

At the same time, the directorship of Philip Whitehead also came to an end.

At the Combined General Meeting of 17 June 2015, Gérard Hascoët was appointed as director for a period of three years ending at the close of the General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017. The meeting of the Board of Directors held on 10 July 2015 appointed Gérard Hascoët as Chairman of the Board of Directors for the remaining period of his directorship that is until the close of the Ordinary General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017.

At the Combined General Meeting of 16 October 2015, Paula Ness Speers was appointed as director for a period of three years ending at the close of the General Meeting that shall be called to approve the financial statements for the financial year ending 31 December 2017.

As stated in chapter 1.7, NBGI Private Equity represented by Aris Constantinides resigned as director on 23 February 2015.

2.3. Human Resources

As presented in Section 1.1.5 the Company continued to recruit in 2015, in particular in maintenance, R&D, sales and marketing and administrative teams.
The total workforce stood at 81 on 31 December 2015, compared with 75 on 31 December 2014.The average workforce of the company rose from 73 in 2014 to 78 in 2015.

2.4 Objective and exhaustive analysis of business performance, results and financial position, in particular the Company’s debt position having regard to the volume and complexity of the business

The business of the parent company can be considered the same as that of the Group since the business of the three foreign subsidiaries of the Group is limited to selling EOS systems in their markets and since the business of OneFit Medical in 2015 may be judged to be not material at the Group level.

See Section 1.1., above, for further details.

The liabilities recognized at 31 December 2015, together with the comparable figures for 2014, are as follows (in euros):

Liabilities	2015	2014
Convertible bond	10,000,000	-
Accounts payable - fixed assets	-	250,000
Borrowings and other financial liabilities	1,626,313	1,525,647
Accounts payable – trade	5,245,087	4,831,347
Taxes and payroll costs	1,703,817	1,888,349
Other liabilities	718,847	2,029,686
Deferred revenue	858,696	461,478
TOTAL	**20,152,760**	**10,986,507**

2.5. Description of the main risks and uncertainties and risk management

The company's business activities are comparable with the Group's. See Section 1.3., above, for further details.

2.6. Legal disputes

The company was unaware of any legal dispute on 31 December 2013.

2.7. Research and Development

See Section 1.1.1, above, for further details.

2.8. Separate results

The parent company's financial statements are summarized in the table below:

The results for FY 2015, together with comparable figures for FY 2014, are as follows:

	2015	**2014**
Revenue amounted to:	€ 17.893.887	€ 17.359.620
Total operating income amounted to:	€ 20.334.942	€ 19.143.358
Total operating expenses amounted to:	€ 25.358.809	€ 23.464.548
Giving rise to an operating loss of:	€ (5.023 867)	€ (4.321.190)
Total financial income was:	€ 5.798.793	€ 1.480.946
Total financial expenses were:	€ 11.561.893	€ 8.586.687
Giving rise to a financial loss of:	€ (5.763.100)	€ (7.105.741)
Pre-tax loss from ordinary activities of:	€ (10.786.967)	€ (11.426.931)
Total extraordinary income was:	€ 42.145	€ 67.077
Total exceptional expenses were:	€ 67.642	€ 134.323
Giving rise to an exceptional loss of:	€ (25.497)	€ (67.246)
Corporation tax:	€ (1.228.979)	€ (1.093.988)
Net accounting loss:	€ (9.583.484)	€ (10.400.189)

As of 31 December 2015, equity stood at €13.935.941 €.

2.9. Progress made and difficulties encountered

See Section 1.1.7, above, for further details.

2.10. Information on supplier payment terms

Pursuant to Article D. 441-4 of the French Commercial Code, the Company hereby presents the breakdown as of 31 December 2015 of outstanding trade payables by due date:

(In euros)	Total	Under 30 days	Between 31 and 60 days	Over 60 days
As at 31/12/2015	3,899,925	3,296,522	706,513	(103,110)
As at 31/12/2014	3,330,199	2,536,881	302,281	491,037

Trade payables over 60 days are based on specific agreements with certain suppliers.

2.11 Workforce data

As of 31 December 2015, the company had 81 employees, compared with 75 employees on 31 December 2014. The headcount of 81 comprised 78 employees on permanent contracts and 3 employees on fixed-term contracts. No employee resigned, stopped work or went on parental leave as of 31 December 2015.

2.12 Appropriation of earnings

We propose appropriating the loss for the financial year ended 31 December 2015, namely €9,538,484, to deficits carried forward, thus raising them from a debit balance of €47,274,304 to a debit balance of €56,857,788.

2.13. Company results over the past five financial years

The notes contain a summary of the company's results over the past five financial years.

2.14 Amount of dividends and tax credit over the past three financial years

Pursuant to legal provisions (Article 243 a of the French General Tax Code), it should be noted that no dividend has been paid out over the past three financial years.

2.15 Lavish expenses and non-deductible expenses (French General Tax Code Articles 39-4 and 223 c)

Pursuant to the provisions of Articles 39-4 and 223 c of the French General Tax Code, we hereby note that the financial statements for the financial year under review include €13,436 in non-tax-deductible expenses.

2.16 Discharge for directors

The Board of Directors and its Chairman ask the general meeting to discharge them for their management activities during the financial year.

2.17 Subsidiaries and equity interests

2.17.1. Taking of substantial controlling interests or takeovers

None.

2.17.2 Share disposals carried out to unwind cross-shareholdings

We hereby inform you that the Company did not dispose of any shares with a view to unwinding cross-shareholdings prohibited by Articles L. 233-29 and L. 233-30 of the French Commercial Code.

2.17.3. Disposals of controlling interests

We hereby inform you that the Company did not dispose of any controlling interest during the financial year under review.

2.17.4. Business activities of subsidiaries and controlled companies

Please refer to chapter 1.5.

2.17.5. Manner in which foreign subsidiaries take account of the impact of their business activities on regional development and the local population:

The employees of foreign subsidiaries have all been hired from local labor markets

3. INFORMATION ON THE COMPANY'S CAPITAL

The table below shows changes in the Company's capital over the period:

	Total as at 31 december 2013	**180 059**	**62 014 958**	**18 005 878**
28/01/2014	Capital increase resulting from exercice of options	120	11 880	12 000
25/02/2014	Capital increase resulting from the allocation of free shares	3 600	(3 600)	360 000
23/05/2014	Issue of warrants		1 800	
14/05/2014	Capital increase resulting from exercice of options	10	990	1 000
15/05/2014	Capital increase resulting from exercice of options	47	8 096	4 689
07/08/2014	Capital increase resulting from exercice of options	15	1 485	1 500
02/12/2014	Capital increase resulting from exercice of options	15	1 485	1 500
	Total as at 31 december 2014	**183 866**	**62 037 094**	**18 386 567**
16/02/2015	Capital increase resulting from exercice of warrants	133	77 013	13 301
28/02/2015	Capital increase resulting from exercice of warrants	60	34 514	5 961
03/03/2015	Capital increase resulting from exercice of warrants	238	138 034	23 840
23/06/2015	Capital increase resulting from exercice of options	44	4 392	4 436
24/06/2015	Capital increase resulting from exercice of options	50	4 910	4 960
08/10/2015	Capital increase	17 899	8 261 925	1 789 909
15/11/2015	Capital increase resulting from exercice of options	3	342	345
03/12/2015	Capital increase resulting from exercice of options	127	12 528	12 655
	Total as at 31 december 2015	**202 420**	**70 570 752**	**20 241 974**

As at 31 December 2015, the share capital was €202,420. It is divided into 20,241,974 ordinary shares, fully subscribed and paid up, each with a par value of €0.01.

Capital increases result from the following transactions:

- exercise of 603,449 stock warrants relating to the earn-out on acquisition of OneFit (see section b. ”Significant events”)
- exercise of 22,396 stock options, resulting in the creation of 22,396 new shares
- issue of 1,789,909 new shares (see section b. ”Significant events”).

4. EMPLOYEE SHAREHOLDING AT THE REPORTING DATE

Pursuant to the provisions of Article L. 225-102, we hereby inform you that an employee savings plan has been established for company employees in FY15.

Company employees have been granted the following stock options and free shares as at 31 December 2015:

Summary						
	SO Plan 2009	SO Plan 2010	SO Plan 2010	SO Plan 2012	SO Plan 2012	AGA Plan 2015
Plan issue date	12/02/2009 AGM	09/04/2010 AGM	09/04/2010 AGM	16/01/2012 AGM	16/01/2012 AGM	16/10/2015 AGM
Date awarded	Board of Directors of 07/07/2009	Board of Directors of 06/07/2010	Board of Directors of 20/05/2011	Board of Directors of 21/09/2012	Board of Directors of 23/05/2014	Board of Directors of 08/12/2015
In progress at 31/12/2015	470,389	308,415	44,625	273,432	211,500	181,500

5. INFORMATION ON CORPORATE OFFICERS

5.1. List of offices held by corporate officers

We hereby present you with the following list of all the offices held by each corporate officer during the financial year.
The table below presents the information on the membership of the Company's Board of Directors.

Name	Office	Main duties within the Company	Dates of the beginning and end of the term
Gérard Hascoët	Member of the Board of Directors Chairman of the Strategy Committee	Chairman of the Board of Directors	Appointed director by the General Meeting of 17 June 2015 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2017. Appointed Chairman of the Board of Directors by the Board of Directors held on 10 July 2015 for the remaining duration of his directorship.
Marie Meynadier	Member of the Board of Directors Member of the Strategy Committee	CEO	Reappointed director by the General Meeting of 9 April 2010 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2012. Reappointed director by the General Meeting of 13 June 2013 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2015.
Stéphane Sallmard	Member of the Board of Directors Chairman of the Compensation Committee	None	Reappointed as Chairman of the Board of Directors by the meeting of the Board of Directors held on 2 December 2011 for the remaining duration of his directorship. Resigned as Chairman of the Board of Directors at the meeting of the Board of Directors held on 9 November 2012 but agreed to remain as a director for the remainder of his term of office. Reappointed director by the General Meeting of 17 June 2014 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2016.
BPI France Participations represented by Marie-Laure Garrigues	Member of the Board of Directors Marie-Laure Garrigues is a member of the Audit and Compensation Committees	None	Appointed a member of the Board of Directors by the Board of Directors on 2 December 2011 for a term ending at the close of the General Meeting called to approve the financial statements for the financial year ended 31 December 2013. Reappointed director by the General Meeting of 17 June 2014 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2016.

Name	Office	Main duties within the Company	Dates of the beginning and end of the term
Eric Beard	Independent director Chairman of the Audit Committee	None	Appointed director by the General Meeting of 29 June 2012 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2014. Reappointed director by the General Meeting called to approve the financial statements for the financial year ended 31 December 2014.
Paula Ness Speers	Independent director Member of the Strategy Committee	None	Appointed director by the General Meeting of 16 October 2015 for a period of three years ending at the close of the General Meeting called to approve the financial statements for the financial year ending 31 December 2017.

NBGI Private Equity represented by Aris Constantinides resigned as director on 23 February 2015. The Company's Board of Directors acknowledged this resignation on 23 March 2016.

5.2. Other offices held by the members of the Board of Directors

Other current terms in office		
Name	Nature of the position	Company
Gérard Hascoët	Chairman Member of the Supervisory Board Member of the Board of Directors Chairman of the Board of Directors Managing Partner Manager Member of the Board of Directors Manager Manager	MD Start SAS Altamir SpineVision SA CorWave SA MD Start Gmbh & Co KG MD Start Gmbh APD Lumarge (SCI) Marluge (SCI)
Stéphane Sallmard	Member of the Board of Directors Member of the Board of Directors	Imagine Eyes SARL i-Optics B.V.
Marie Meynadier	Executive Executive Executive Chairman Chairman Member of the Board of Directors Member of the Board of Directors	EOS imaging Inc. EOS imaging GmbH EOS image Inc. OneFit Medical SAS EOS imaging Pte Ltd Stentys SA Mauna Kea technologies SA
BPI France investissement represented by Marie-Laure Garrigues	Member of the Board of Directors Member of the Board of Directors	Medtech TxCell
Eric Beard	Chairman of the Board of Directors	Cellnovo SA
Paula Ness Speers	Partner Member of the Board of Directors Member of the Board of Directors	Health Advances (Boston, MA) Partners Continuing Care (Boston, MA) Implanet SA

Terms of office exercised during the course of the last five fiscal years that have terminated as of this date

Other current terms in office		
Name	Nature of the position	Company
Gérard Hascoët	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors	Dupont Medical MD Start SA SpineVision Italia srl SpineVision Ltd
Stéphane Sallmard	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors	Dysis Medical Ltd Crescent Diagnostics Ltd Forth Photonics Hellas SAS
Marie Meynadier	None	None
BPI France investissement represented by Marie-Laure Garrigues	Member of the Board of Directors	Cytheris
Marie-Laure Garrigues	Member of the Board of Directors Manager	Ingen Biosciences Bio Thema Consulting
Eric Beard	Chairman	Cellnovo Ltd
Paula Ness Speers	None	None

5.3. Compensation and benefits in kind received by each corporate officer

Compensation and benefits in kind received by each corporate are not disclosed, since this would lead to disclose individual information.

5.4. Delegations of power granted to the Board of Directors

The EOS imaging Combined General Shareholders' Meeting of 17 June 2015 delegated the following powers to the Board of Directors:

- Capital increase through the issuing of common shares or any other securities giving access to the Company's capital, with preferential subscription rights (Articles L. 225-129 et seq of the French Commercial Code and in particular Articles L.225-129 to L. 225-129-6, L. 225-132, L. 225-133, L. 225-134. L. 228-91 and L. 228-92)

- Capital increase through the issuing of common shares or any other securities giving access to the Company's capital, with cancellation of preferential subscription rights and public offering (Articles L. 225-129 et seq of the French Commercial Code), 2256135 et seq, 228-91 et seq

- Capital increase through the issuing of common shares or any other securities giving access to the Company's capital, with cancellation of preferential subscription rights, as part of an offering to qualified investors (articles L.225-129 et seq. of the French Commercial Code, and, in particular, its Articles L. 225-129-2, L. 225-135, L. 225-135-1, L. 225-136, L. 228-91 and L. 228-92).
- Authorization to issue shares or any other securities giving access to the Company's capital, with cancellation of preferential subscription rights, and to set the issue price so as not to exceed 10% of the share capital (provisions of the second paragraph of Articles L. 225-136-1 of the French Commercial Code).

- Delegation of power for the purpose of increasing the number of securities to be issued in the event of a capital increase with or with cancellation of preferential subscription rights (provisions of Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-135-1 et seq, L. 228-91 and L. 228-92 of the French Commercial Code.)

- Capital increase through the issuing of common shares or any other securities giving access to the Company's capital, in the event of a public offering including an exchange component, initiated by the Company (Articles L. 225-129 to L. 225-129-6, L. 225-148, L. 228-91 and L. 228-92 of the French Commercial Code

- Capital increase in consideration for in-kind contributions of shares or any other securities giving access to the capital of third-party companies, excluding public exchange offerings (Article L.225-147 of the French Commercial Code.)

- Capital increase through the capitalization of premiums, reserves, profits or other (Articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code.)

- Issue and award of BSAs without preferential subscription right (Article L.225-138-I of the French Commercial Code.)

- Buyback by the Company of its own shares (articles L.225-209 et seq of the French Commercial Code).

- Reduction of share capital through the cancellation of shares as part of the authorized share buyback (Article L.225-209 of the French Commercial Code.)

The EOS imaging Combined General Shareholders' Meeting of 16 October 2015 delegated the following powers to the Board of Directors:

- Awards of existing or new free shares (Articles L. 225-197-1 et seq of the French Commercial Code.)

For the 2015 financial year, 881,207 shares were purchased at an annual average share price of €5.04 and 869,283 shares were sold at an annual average price of €5.03. No trading costs were billed to the Company outside of the liquidity contract, for which the annual fixed fee is set at €20,000.

At 31 December 2015, 38,867 treasury shares were deducted from consolidated shareholders' equity, for €317 K. These shares represent 0.19% of the share capital.

6. DISTRIBUTION OF SHARE CAPITAL AT 31 DECEMBER 2015

As far as the Company is aware, the company's capital was distributed as follows at 31 December 2015:

	Number of shares	% of capital and voting rights*
Founders	**659.180**	**3,26%**
COFA Invest (1)	273.318	1,35 %
EDRIP (2)	1.805.293	8,92 %
NBGI (3)	905.429	4,47 %
BPifrance participations (4)	1.825.222	9,02 %
Investment funds	**4.809.262**	**23,8%**
Floating	**14.369.706**	**70,99%**
Management & employees	**364.959**	**1,80%**
Treasury shares	**38.867**	**0,00%**
Total	**20.241.974**	**100,00%**

* Own shares have no voting rights attached to them.

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, we point out that shareholders holding directly or indirectly over a twentieth, a tenth, three twentieths, a fifth, a quarter, a third, half, two thirds or nineteen twentieths of the share capital or voting rights at 31 December 2015 are identified in the table above.

7. MATERIAL EVENTS AFTER THE REPORTING DATE (TO THE DATE OF DRAFTING OF THIS REPORT)

BPI repayable advance and debt write-off:

At the meeting of the collaborative projects monitoring committee on 27 January 2016, the members acknowledged partial commercial success for EOS imaging, with a debt write-off of €268,928.

Resignation of a director:

NBGI Private Equity resigned as director on 23 February 2016.

China Food and Drug Administration (CFDA) Approval

The Group received in March 2016 approval from the China Food and Drug Administration (CFDA) to market the EOS system in China

Exclusive licensing agreement

New partnership with Montreal-based Spinologics to develop a biomechanical simulation software dedicated to spine surgery planning

Partnership with Stryker

Co-promotion agreement with Stryker’s European Spine business for the UK market

8. DISCHARGE - RESOLUTIONS

We would ask you to approve the special report of the Statutory Auditors on the agreements falling within the scope of Article L. 225-38 of the French Commercial Code.

Furthermore, we would draw attention to the fact that the list and purpose of ordinary agreements entered into in the normal course of business that, by virtue of their purpose or financial implications, are material for the parties, and have been disclosed to the directors and to the Statutory Auditors.

Should you require any further details or explanations, please do not hesitate to contact us. We would ask that you vote in favor of the resolutions submitted to you and which cover the various aspects of our report.

Appendix 1: SUMMARY OF THE COMPANY'S RESULTS OVER THE PAST FIVE FINANCIAL YEARS

1. CAPITAL AT YEAR END					
a. Share Capital	116 036	174 024	180 058	183 866	202 420
b. Number of common share in existence	11 603 559	17 402 429	18 005 878	18 386 567	20 241 974
c. Number of preferred dividend shares (without voting rights) in existence					
2. TRANSACTIONS AND PROFIT / (LOSS) FOR THE PERIOD					
a. Pre-tax sales	6 431 557	8 311 867	13 350 424	17 359 620	17 893 887
c. Corporation tax	- 480 430	- 955 491	- 1 020 985	- 1 093 988	- 1 228 979
d. Employee profit-sharing due for the period					
e. Income after tax, profit-sharing, depreciation, amortisation and provisions	- 7 227 813	- 8 302 772	- 5 385 629	- 10 400 189	- 9 583 484
f. Appropriated earnings					
3. EARNINGS PER SHARE					
a. Earnings after tax and profit-sharing but before depreciation, amortisation and provisions	- 0.37	- 0.20	- 0.13	- 0.18	- 0.19
b. Earnings after tax, profit-sharing, depreciation, amortisation and provisions	- 0.62	- 0.48	- 0.30	- 0.57	- 0.47
c. Dividend per share					
4. PERSONNEL					
a. Average workforce during the period	47	48	59	73	81
b. Payroll for the period	3 126 926	3 477 745	3 988 594	4 804 093	4 987 672
c. Total sums paid in benefits for teh period	1 541 615	2 221 843	1 996 316	2 645 441	2 474 417
(social security, social agencies, etc...)					

3. CORPORATE SOCIAL RESPONSIBILITY

1. ABOUT THE METHODOLOGY

Background on CSR reporting system

EOS imaging has begun reviewing the economic, social and environmental impact of its business. It is the goal of the Group to encourage responsible development that takes into account its current needs and the challenges of sustainable development.

Such development has three considerations besides the purely economic one: employment, society at large and the environment. This chapter surveys EOS imaging's activities with respect to these three components, in an effort to provide transparency with its stakeholders. This survey has a regulatory context: as a publicly traded company, EOS imaging is required to provide non-financial disclosures in its management report, in accordance with Article L. 225-102-1 of the French Commercial Code, known as the Grenelle II Law.

In that context EOS imaging has had in place for the fourth consecutive year a reporting process that gathers and compiles at the Group level the information published in this chapter relating to employment, society and the environment.

Selection of published information

EOS imaging has selected extra-financial disclosures that are relevant to its business. The Group develops an innovative imaging medical device for musculoskeletal disorders and orthopaedic treatments as well as related software applications.

The systems are assembled by subcontractors; only the detectors (two per system) are made by EOS imaging. The Group's primary activities are therefore research and development, sales and maintenance.

Since late 2013, EOS imaging has also been developing software solutions and tools for the planning and control of orthopaedic surgery. The production of cutting guides is outsourced.

Based on that fact, the following regulatory environmental issues are thought not to apply or pertain to us, and are therefore not addressed in this chapter:

- measures for preventing, reducing or repairing discharges into the air, water or soil with a serious impact on the environment;
- mitigating noise pollution and any other form of pollution specific to an activity;
- land usage; protection of biodiversity;
- other initiatives to promote Human rights.

Although adaptation to climate change is not a defining issue given the Group's business, this subject is nevertheless addressed in the environmental component of this report, with the measurement of carbon emissions.

Scope of information presented

The disclosures cover as far as possible all employees and all activities of the Group over the period 1 January to 31 December 2015. Some information, however, is presented only with respect to France.

In regard to employment data:

- The total workforce, the breakdown of the workforce by gender, nationality and geographic area, hires and exits refer to the Group;

- work schedules, training, non-discrimination and working conditions refer to the Group;
- the age pyramid and industrial relations refer to the Group;
- workplace and commuting accidents, and absenteeism refer to the EOS imaging French workforce and therefore do not include foreign subsidiaries and Onefit.

Information as to civic responsibility refers to the whole Group.

In regard to environmental data:

- the general policy in terms of the environment and the management of waste are discussed at the Group level;
- the sustainable use of resources and building energy and paper consumption in particular are presented for EOS France and thus exclude OneFit and international subsidiaries;
- greenhouse gas emissions refer solely to business travel by train and airplane by EOS France employees and excludes travel by other employees, all travel by rental car and the emissions of the five company cars used by employees. Emissions from the transport of sold EOS systems are not currently tracked and so are not disclosed in this report.

The reporting system, software and verification

Disclosures are compiled by the Group's Finance department, which is in charge of writing the entire management report. As to the CSR reporting system, it relies principally on:

- the manager of Human Resources for the collection and verification of employment data;
- the Regulations & Quality department for certain environmental (waste management) and civic (supplier and subcontractor relationships) information;
- the Accounting department for information about the consumption of resources.

Extra-financial reporting makes use of existing data gathering and tracking software. No software specifically for CSR reporting was used. However, in 2015, the Group deployed an HR data reporting tool. The employment data obtained from this tool have been included in this report. They are reported monthly and compiled on a multi-year basis, as are updates of the organization chart, financial publications and management reviews. They are reconciled on a regular basis with payroll data. Civic and environmental data are compiled yearly for the sake of this report.

About the methodology

The published data are tracked, collected and compiled centrally by the Financial Department. The limited number of people contributing to this reporting did not call for the creation of a reporting manual.

To make sure the data published are properly understood, we would point out that in calculating certain employment data they were rounded up to the nearest whole number. As a result, the totals specified in certain tables may not be the exact sum of the preceding numbers.

The definitions of the quantitative data published are as follows:

- **Total workforce at 31 December 2015:** includes all employees working at the end of the year, both temporary and permanent. Employees on maternity leave and temping staff are counted. Substitutes and trainees are excluded. Employees whose exit date was 31 December 2015 are excluded.

- **Average workforce**: refers to the average headcount at the end of the month. Counted in this number are all employees with permanent and temporary employment contracts, employees on maternity leave and temping staff. Substitutes and interns are excluded. Employees whose exit date was the last day of the month are excluded from the end of month headcount.

- **Training:** any course conducted in-house or by an outside organization is considered training for the 2015 financial year. Training hours are equal to the total number of training hours delivered to temporary and permanent employees for the year.
- **Recruitments/Terminations:** we count all new hires and employees who leave the company during the year, both temporary (on fixed-term employment contracts) and permanent (open-ended employment contracts). A move from temporary to permanent employment is treated as a subtraction from the temporary number and an addition to the permanent. "Other reasons for leaving" include non-renewal of the trial period and reaching the end of closed-end contracts.
- **Percentage of part-time staff**: equals the part-time headcount divided by the average headcount.
- **Rate of absenteeism:** equals the number of days absent recorded during the year divided by a theoretical total number of days present. The total number of theoretical days present is calculated by multiplying the average headcount by 218 days (the number of work days for supervisory personnel).
- **Percentage of women in managerial positions:** equals the number of female managers **divided by the total managerial staff as at 31 December 2015.**
- **Number of employees by nationality:** equals the average workforce by nationality, rounded up to the nearest whole number.
- **Electricity consumption**: counts the usage by the EOS imaging head office premises in Paris, based on invoiced data.
- **Paper consumption:** the figure is calculated in metric tons based on the total number of reams purchased and invoiced, taking a ream as 500 pages of A4 format of 80 g/sq.m.
- **CO2 emissions:** include the emissions of travel by EOS France employees whose departure date was in 2015, reserved by the travel agency and made by train or plane.
- **Purchasing and subcontracting:** subcontracting takes into account all invoiced services by the assembler of the systems sold by EOS during the year as well as all research and development services. Expenditures made with outside companies are considered purchases. The indicators for subcontracting and purchasing are calculated by dividing the amount of expenditures by the total amount of sales.

Outside verification

In accordance with Article L. 225-102-1 of the French Commercial Code, known as the Grenelle II Law, EOS imaging appointed its Statutory Auditors (Deloitte) as the independent third-party organization called for by the Decree of 13 May 2013 (published 14 June 2013 and codified in the French Commercial Code at Articles L. 225-1 et seq.), defining the ways in which the independent third-party organization conducts its audit. The report issued by the independent third-party organization relates to the disclosures made in this section of the 2015 management report in light of the requirements of the Grenelle II Law.

2. HEADCOUNT AND DISTRIBUTION OF THE WORKFORCE

Aware that its employees are the main source of its growth, EOS imaging's policies for managing human resources are meant to help its employees to flourish. The Group strives to promote stable employment and equal opportunity, and to provide training that will enable the employees to hone and diversify their skills.

a. Employment:

To support its growth, the Group has continued its recruitment during the 2015 financial year.

EOS imaging's consolidated workforce as of 31 December 2015 totaled 121 people, as compared to 107 as of 31 December 2014.

The yearly increase in the headcount by 15 persons is due, in particular, to five additions to the maintenance teams, with a view to supporting the expansion in maintained equipment, three hires in the R&D Department to continue to pursue current development, five new arrivals in the marketing and sales teams and two hires in the administrative teams.

The average consolidated workforce therefore rose from 106 in 2014 to 116 in 2015.

Workforce

During the periods under review, the Group's average workforce was as follows:

Average Group workforce	2015	2014	2013
Number of employees	116	106	77

The workforce breaks down as follows:
By location:

Average Group workforce	2015	2014	2013
EMEA employees	98	92	64
% of total workforce	*84%*	*87%*	*83%*
Non-EMEA employees	18	14	13
% of total workforce	*16%*	*13%*	*17%*

By gender:

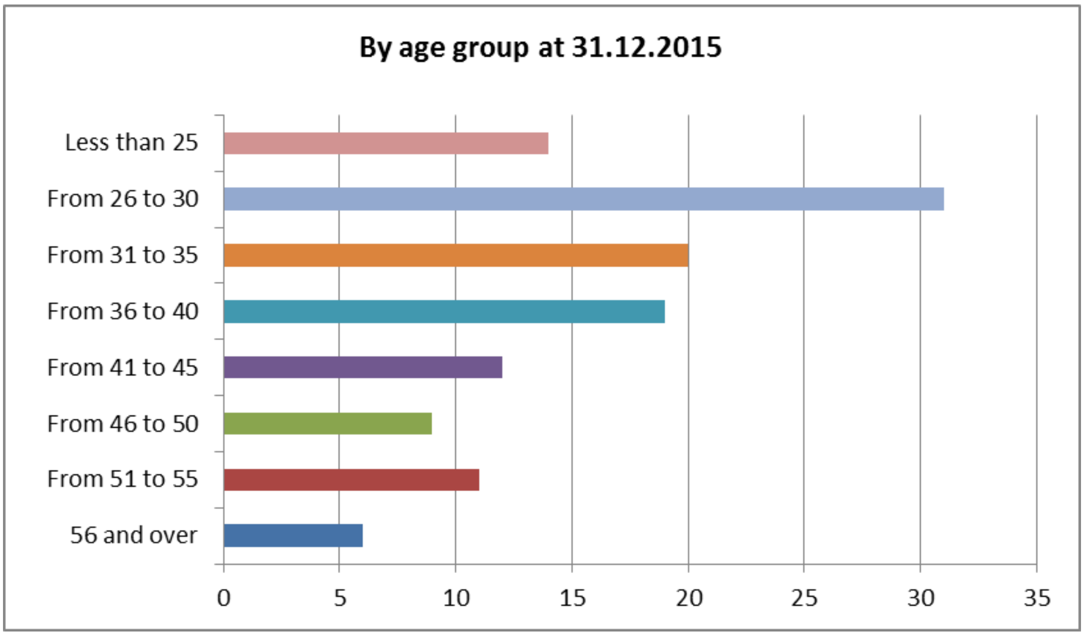
Average Group workforce	2015	2014	2013
Total	116	106	77
Men	78	70	49
Women	38	36	28

By type of contract:

Average Group workforce	2015	2014	2013
Temporary	6	7	6
Permanent	110	99	71
Total	116	106	77

By age group:

The table below is based on the workforce as at 31 December 2015.



New hires and dismissals

The workforce in 2015 was affected by the following changes:

Changes - entries by type of contract:

Number of entries	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Permanent hires (France and rest of the world)	26	19	29	8
Consolidation of Onefit Medical: permanent hires	-	-	11	0
Temporary hires	11	11	9	4
Consolidation of OneFit Medical: temporary hires	-	-	3	0
Total	37	30	52	12

Changes - reasons for departure:

Number of departures	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Retirement/early retirement	0	0	0	1
Resignation	4	5	4	3
Dismissal	3	5	2	0
Negotiated termination	2	0	0	1
Non-continuation after the trial period	2	1	1	
End of fixed-term contracts	11	15	7	*3*
Total	22	26	14	8

For clarity and accuracy, the "Other" category indicated as the type of departure until 31 December 2014 has been split into two categories of departure as from this year: "Non-continuation after the trial period" and "end of fixed-term contracts". This adjustment was made retrospectively for prior years.

Compensation and changes over time

The Company's compensation policy is based on principles fairness and transparency, and takes into account the recipient's role, experience and performance appraisal, without distinction based on gender. Besides fixed salary, the Group gives variable compensation to a significant portion of its staff, and does so as a matter of course to all management.

The compensation of all Group employees is subject to annual review. Increases made in 2015 are reflected in payroll, described in Note 17 of the consolidated financial statements.

As at 31 December 2015, the Group had allocated bonus shares to a significant proportion of employees, without any conditions as to the length of service.

b. Organization of working hours:

EOS imaging has taken initiatives in favor of flexibility and the balance between private and professional life, including:

- flexible arrival and departure times;
- part-time work;
- broad latitude in the choice of days off.

Accordingly, part-time schedules were granted to all those who requested them and represent 3.4% of the average workforce.

In France, executive staff works on an annualized contract (218 days) in Paris. Working hours for Besançon are calculated based on a working week of 35 hours. Employees in the United States, Canada and Singapore are mobile employees, distance workers who are especially independent in how they arrange their work hours.

Absenteeism figures are as follows:

Breakdown by cause: employees in France only

Rate of absenteeism	2015	2014	2013	2012
Sickness	0.-_%	1%	1.0%	1.1%
Workplace and commuting accidents	0%	0.03%	-	0.1%
Maternity, paternity, adoption leave	0.56%	1.83%	0.7%	2.3%
Other absences	0.19%	0.16%	0.1%	0.1%
Unpaid absences (unpaid leave, parental leave)	0.28%	0.3%	0.8%	0.6%
Total	1.70%	3.45%	2.6%	4.2%

c. Industrial relations

EOS imaging strives to maintain a constructive dialogue in order to preserve harmonious industrial relations within the Company.

A Joint Staff Representation Committee was established in 2014 to represent all Paris-based employees. This Joint Committee brings together the two staff representation bodies that are the Works' Council and the staff representatives. It comprises two representatives of executive staff and one representative of non-executive employees, all three elected on 18 June 2014.

The members of the Joint Staff Representation Committee meet on average every two months. They are consulted by management and play an active part in the Company's major decisions.

Seven Joint Staff Representation Committee meetings were held in 2015. Its members were involved in significant decisions relating to work organization, and in particular, the implementation of profit-sharing and incentive agreements and the related employee savings plan.

An Occupational Health and Safety Committee (OHSC) was established in September 2014. The OHSC comprises three members appointed by the Joint Staff Representation Committee on 9 October 2014.

The OHSC met five times in 2015. Its members were involved in making decisions relating to work conditions and safety, and took part, notably in the assessment of certain adjustments that were carried out in 2015. They also worked on the update of the 2015 risk assessment document (*Document Unique*). At the meeting of the OHSC held in September 2015, a Safety Advisor was appointed.

As stated above, two collective agreements were signed in 2015 with personnel representatives: a profit-sharing agreement, an incentive agreement as well as the rules governing the employee savings plan related to these two agreements.

Employees based in Besançon are represented by a staff representative, elected on 16 June 2014 (sole committee).

d. Health and safety

Guaranteeing the safety and promoting the health of every employee are priorities for EOS imaging. Given its operations, EOS imaging did an assessment of health and safety risks for the employees, formalized in its "*Document Unique*" (mandatory document to be kept on the premises regarding employee health and safety) created in 2008 and regularly updated. It was updated for the last time in 2015. The main risks identified are irradiation and electrocution in detector manufacturing, the testing of EOS systems and maintenance work. The means of prevention put in place limit such risks in the following ways:

Risk of radiation: training in radiation protection for the employees concerned, appropriate signage on the workstations, dosimetry on the personnel exposed and self-protected workstations;

Electrical risks: certification of the employees involved for low-voltage work, appropriate signage on workstations and restriction of workstations to trained personnel.

EOS imaging's operations are carried out in a tightly regulated environment. The Group honors its obligations in terms of protecting the safety of employees who work in production and maintenance and are exposed to the aforementioned risks. EOS imaging pursues a proactive risk prevention policy based on training and making all its employees aware of risk, from the time of the initial training of new hires.

A risk-prevention plan is due to be implemented in 2016 in cooperation with the safety advisor and the OHSC.

In 2015, three work-related accidents were reported, none of which resulted in lost work days. No work-related illness was reported. No commuting accident was reported.

e. Training

Focused on innovation, EOS imaging works to support the professional development of its employees and implements training initiatives to develop their skills in their current or future positions.

Every year EOS imaging draws up a training plan based on the occupational training courses necessary for employees' development and on requests that are made in the annual performance reviews. The execution of the training plan is monitored on a regular basis and evaluated each year.

This training offered breaks down as follows:

- mandatory courses for specific activities that are essential to our safety policy (radiological protection and electrical certification);
- in-house occupational and product training;
- in-house courses on the quality management system and computer applications;
- Out-sourced technical and language training.

The table below shows the number of training hours over the last two years.

Breakdown of the number of training hours by category:

Number of hours of training	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Technicians	161 hrs	223 hrs	63 hrs	21 hrs
Executives	1,338 hrs	2,146 hrs	343 hrs	49 hrs
Total	1,499 hrs	2,369 hrs	406 hrs	70 hrs

There were two reasons for the relative stability of training hours in 2015 compared with 2014: the drop in the number of training courses for electrical skills certification, which are renewed every three years, and which were for the most part obtained in 2014. A significant increase in the specific external training courses provided in connection with the acquisition of technical skills.

f. Non-discrimination

Measures to promote gender equality

EOS imaging is committed to gender equality in its workforce, at all levels of the Company. As such, women accounted for 40% of the management team and 31% of executive staff as of 31 December 2015. The Company strives to make no distinction based on gender in the way it treats its employees.

Accordingly, EOS imaging prepared a report on the comparative status on the general employment conditions of men and women within the Company, which illustrates these principles of fairness.

EOS imaging's workforce did not include any disabled employees as of 31 December 2015. However, the Group is committed to promoting the employment of disabled people, and to this end has concluded a contract for administrative supplies with a company employing disabled workers.

Anti-discrimination policy

Similarly, EOS imaging pursues a policy of human resource management that promotes equal opportunity. The diversity of nationalities represented in the Group's workforce is a proof of this: ten nationalities are represented.

Headcount by nationality:

Average Group workforce	2015	2014	2013	2012
France	93	85	58	7
United Kingdom	0	1	1	1
United States	12	11	11	8
Canada	3	2	2	1
Belgium	1	0	0	0
Malaysia	1	1	1	0
India	0	0	1	0
Colombia	1	0	1	0
Algeria	1	1	1	0
Tunisia	1	1	1	1
Italy	1	1	1	1
Portugal	1	1	1	1
Czech Republic	1	1	1	1
Number of nationalities represented	**10**	**10**	**12**	**8**

g. Promoting and complying with the fundamental conventions of the International Labor Organization

Through its human resource management policies, EOS imaging complies with all the provisions of these conventions, on every subject covered, i.e.:

- freedom of association and the right to collective bargaining;

- the elimination of discrimination in respect of employment and occupation;
- the elimination of forced or compulsory labor; and
- the abolition of child labor.

3. CIVIC REPONSIBILITY

a. Local, economic and social impact of the business

Given its size and where its facilities are located, EOS imaging has a limited impact on local communities. Nevertheless, where the Group is present it strives to hire from the local labor market. Whenever EOS imaging expands into a new geographic area, creating local jobs is a priority.

The Group also creates jobs indirectly through the use of subcontractors. The bulk of production is performed in France, with the assembly of EOS systems being handled by a subcontractor based in Romorantin, close to Orléans.

b. Subcontractors and suppliers

EOS imaging does use subcontractors and suppliers, primarily in its manufacturing operations. The Group purchases most of the components for EOS systems from suppliers located in Europe and North America. The assembly of EOS systems is subcontracted by the Group to a strategic supplier located in Romorantin, France. EOS imaging also uses French suppliers for the purchase of office materials and services and of maintenance and cleaning services. Lastly, our R&D work uses French subcontractors, along with collaborative arrangements with universities, a significant portion of which are French.

Purchasing and subcontracting represented 50% of revenues in 2015, which was stable compared to the previous year. 43% of outsourced services were provided in France in 2015. This was also stable compared with 2014 where they accounted for 42% of external services.

To date there has been no special clause about employment or environmental issues in the contracts EOS imaging has signed with its service providers. Nonetheless, EOS imaging makes sure that its suppliers are in compliance with applicable regulations, particularly with respect to the environment. A program also needs to be established to formalize and broaden the Group's requirements in these respects with its suppliers.

Considering the large part played by subcontracting and purchasing in the Group's strategic operations, EOS imaging has begun a quality audit process among its service providers. Critical suppliers are audited at least once every three years. The main purpose of these audits is to keep a close relationship between EOS imaging and its suppliers, to evaluate their quality assurance, to assist them in efforts the Group has undertaken to obtain new regulatory approvals and to analyze whatever non-compliance there might be.

c. Relationships with persons or organizations having a business interest with the Company

Circumstances in which we interact with these persons or organizations

The principal outside stakeholders of EOS imaging, besides service providers (treated in the preceding paragraph) and patients (discussed in the next paragraph), are the customers who use the technology and the relevant governmental bodies. Relationships with these stakeholders have been structured by our quality management system, which has been ISO 13485 and ISO 9001 certified since 2006. In this connection, EOS imaging is audited annually by an independent organization accredited by COFRAC (LNE/G-MED).

In order to fully meet the expectations of its customers, the Group has implemented an ISO 13485 quality system that provides:

- a systematic identification of malfunctions and difficulties reported back by user locations, with such malfunctions being processed by the quality system;
- a systematic tracking by the maintenance department of the number of calls, of on-site help provided and uptime rate per user site (and the uptime rate is above 99%).

These quality indicators are reviewed twice a year by upper management.

In addition, EOS imaging personnel keep in touch with their customers and are available to them for any question or technical problem that arises.

The Group makes a point of being transparent vis-à-vis the oversight bodies in the countries where it markets its products. The management of governmental relations is folded into EOS imaging's quality management system and makes particular use of the following processes:

- A process for monitoring regulations, which is the Group's main tool for compliance. Besides the regulatory requirements, the Group also identifies non-regulatory recommendations so as to comply with those as well;
- A regulatory filing process in connection with market launches of products or for the renewal of market authorizations;
- A process for post-market device surveillance and product recalls in the event of malfunction, including procedures for notifying the authorities.

In France EOS imaging is also subject to regular monitoring of nuclear activities by France's Nuclear Safety Authority (*Autorité de sûreté nucléaire* - ASN).

Partnering or sponsoring undertaken

In 2015, EOS imaging donated a total of €2,000 to the French Institute for the support of research and education in diagnostic and interventional imaging (ISFRI).

Fair commercial practices

Measures taken to foster consumers' health and safety

A low-radiation technology

The EOS technology is in line with the medical community's awareness of the need to limit radiation doses. The ALARA principle (As Low As Reasonably Achievable), which is part of the radiation protection standards established in the Euratom EU directives, the "image gently" recommendation in the USA and the EuroSafe campaign in Europe are three illustrations of this awareness.

Over the past two decades the levels of exposure to radiation from artificial sources-mainly medical Imaging-have increased 600%. Children, and particularly those with diseases such as scoliosis, can be exposed to very high radiation levels. They can thus be faced with potential residual effects from excessive medical radiation, in particular a greater risk of developing a cancer later in life that was provoked by medical imaging radiation.

EOS offers a low-dose imaging solution for the diagnosis, the planning and the treatment follow-up for scoliosis in children, which exposes the child to radiation six to nine times lower than standard radiography, obtaining an equal or superior quality of image. EOS' new Micro Dose feature, put on the market in 2013, delivers up to seven times less radiation that EOS' low-dose products.

The Micro Dose solution now allows practitioners use a practically non-irradiating technology for staying on top of pediatric pathologies, especially those requiring frequent monitoring.

EOS imaging joined in March 2014 the EuroSafe initiative, a European campaign for the prevention of medical radiation exposure.

CE marking

The CE marking is affixed on the medical devices manufactured by EOS imaging, thus guaranteeing that the company has carried out tests and checks to ensure that these medical devices comply with the key requirements, in particular, health and safety, defined in European Directive 93/42/EEC.

Post-market device surveillance and product recall

The Group has a risk monitoring system linked to the use of its medical devices during medical treatments. Any malfunction identified at a user site that might have a serious impact on the patient and/or user is corrected when necessary on the other user sites.

Measures taken to prevent corruption

The Group is particularly vigilant and stringent when it comes to combating corruption. It demands exemplary conduct from all its employees and partners, and spells out what that means in its Code of Conduct and its appendices.

These documents lay out in particular the rules about expenses incurred by the Company with the medical profession, or gifts or invitations that would benefit the Group. They fit into a regulatory environment that is especially stringent in this regard: the Bertrand Act in France, the Anti-Bribery Act in the United Kingdom and the Sunshine Act in the United States.

The Group regularly disseminates instructions to its employees specifying the rules of conduct required by the Sunshine Act and the Bertrand Act. Detailed information was also provided to the Group's distributors to ensure their compliance with these legal requirements.

4. ENVIRONNEMENTAL RESPONSIBILITY

General policy in environmental matters

The facilities of EOS imaging consist of offices, an R&D laboratory and a small production area deemed non-polluting. The integration of EOS equipment is outsourced to a partner in France. The Group therefore considers that its activities have a limited impact on the environment.

EOS imaging has no formalized environmental policy and in 2015 conducted no awareness programs or training of its employees in this regard.

However, EOS imaging actively monitors regulations to make sure that its products, its operations and the operations of its subcontractors are in compliance with current environmental regulations. The Group's activities are subject to environmental regulations on the use of certain hazardous substances, including the RoHS Directive (restriction of the use of certain hazardous substances in electrical and electronic equipment) (2011/65/EU). The Group initiated a process in 2012 to ensure that its suppliers and subcontractors comply with the Directive, whose application has been mandatory since June 2014. EOS and sterEOS products were declared compliant with the ROHS Directive in 2014. Likewise, to comply with the REACH (Registration, Evaluation, Authorization and restriction of Chemicals) regulation, the Group closely monitors the so-called SVHC (Substances of Very High Concern) candidate list, updated by the European Chemicals Agency (ECHA), and takes all necessary steps with its suppliers to ensure that products brought to the market do not contain such substances in concentrations above the specified levels. This regulation has only very limited relevance for the Group’s activities. However, the Group has initiated a process to ensure that its suppliers and subcontractors comply with this regulation.

In 2015, EOS imaging made no accounting provisions and posted no bonds for environmental risk.

Pollution and waste management

The major impact of EOS imaging's business activities in terms of pollution and waste management involves the end-of-life of EOS systems sold by the Group.

To date the average age of units installed is 2,7 years, and all the units sold are in operating condition.

In France, in keeping with the broader responsibility of producers of electrical and electronic equipment, EOS imaging has contracted with the environmental organization Recylum to take charge of end-of-life systems. In the United Kingdom and Germany, EOS imaging has not yet identified a subcontractor able to potentially handle end-of-life equipments. Nevertheless, the risk at this point is limited, since the first equipment was sold in 2007 and none is at the end of life. Moreover, EOS imaging tracks all equipment installed, even when it is sold by distributors. The Group is currently looking for a solution to disposing of discarded equipment in France. Outside of Europe and generally, the Group has been holding discussions to set a global policy for dealing with end-of-life systems.

Lastly, it should be noted that EOS imaging supports sustainable development and may occasionally organize the collection, reconditioning and resale of its clients' equipment.

The other major challenge in relation to waste management concerns handling out-of-use components, particularly the x-ray tubes used in the equipment sold by EOS imaging. All damaged or empty tubes are taken back by EOS' supplier for re-use. It should be noted that all x-ray tubes used in EOS equipments are provided by EOS imaging exclusively, given their specific features. Apart from EOS equipment at end-of-life and out-of-use components, the only waste generated by the Group is office waste.

Sustainable use of resources

Water consumption

The Group's water consumption is largely limited to that of the main office, which is essentially for sanitary uses. This consumption, which is included in the co-ownership charges, is judged to be negligible and is not reported here. In addition, since it is located only in Paris, the Group does not use water in water-stressed areas.

Energy consumption

The Group's energy consumption is limited to its electricity usage in its Paris premises, the energy used in its logistics and the transportation of its employees when travelling on business.

In 2015, electricity consumption at its Paris facilities was 138,058 kWh compared with 148,061 kWh in 2014.

Raw materials consumption

The consumption of raw materials by the EOS imaging operations is judged to be negligible since production is limited to the manufacture of detectors. Only the use of paper is presented in this report: in 2015, the Group used 390 reams of paper, compared with 325 in 2014, representing 1 tonne of paper, compared with 0.8 tonnes in 2014, and a cost of €6,094 compared with €5,590 in 2014.

5. CLIMATE CHANGE

Business travel and logistics are the main sources of greenhouse gas emissions by the Group. To date, emissions from the transport of systems sold are not tracked. However, in order to limit the carbon footprint of the Group's logistical operations, EOS imaging primarily uses maritime transport to ship systems sold in North America and Asia.

Employee travel also represents a big source of greenhouse gas emissions. In 2015, the emissions associated with that could be computed only on the restricted scope of EOS France employees and their businesses travel by plane and train. This dropped slightly to 283,625 kg CO_2 equivalent in 2015 compared with 289,474 kg CO_2 equivalent in 2014, representing a total of 2.22 million kilometers travelled by air or by train, compared with 3.35 million in 2014.

4. STATEMENT ON STATUTORY AUDITOR'S FEES

In thousands of euros	31/12/2015		
	Deloitte	Fi Solutions	Actis
Auditing			
Independent audit, certification & examination of the parent and consolidated statements			
- Eos Imaging SA	55	26	4
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)			
Other investigations and services directly related to the audit engagement			
- Eos Imaging SA	33		
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)			
Sub-total	**88**	**26**	**4**
Other services rendered by partner firms to fully consolidated subsidiaries			
Legal, tax, employment			
Other			
Sub-total			
Total	**88**	**26**	**4**

5. 2015 CONSOLIDATED FINANCIALS STATEMENTS

1 Consolidated financial statements prepared under IFRS for the financial year ended on 31 December 2015

STATEMENT OF FINANCIAL POSITION *(in thousands of euros)*

ASSETS	*Note*	Fiscal Year 2015	Fiscal Year 2014
Goodwill	*e*	5 131	5 131
Non-current intangible assets	*f*	2 454	1 945
Property, plant and equipments	*g*	1 404	1 322
Financial assets	*h*	107	168
Total non-current assets		**9 097**	**8 567**
Inventory and work in process	*i*	4 684	2 825
Accounts receivable	*j*	19 313	14 416
Other current assets	*j*	4 980	3 838
Cash en cash equivalents	*k*	14 091	10 154
Total current assets		**43 068**	**31 234**
TOTAL ASSETS		**52 164**	**39 801**

EQUITY AND LIABILITIES	*Note*	Fiscal Year 2015	Fiscal Year 2014
Share Capital	*l*	202	184
Treasury shares		(317)	(249)
Share-based bonuses		70 571	62 037
Reserves		(36 173)	(31 481)
Translation reserves		665	218
Consolidated income attributable to the parent		(7 181)	(5 245)
Total equity		**27 768**	**25 464**
Provisions	*m*	295	297
Financial liabilities	*n*	12 837	3 539
Total non-current liabilities		**13 132**	**3 836**
Accounts payable -trade	*o*	5 389	5 310
Other current liabilities	*o*	5 876	5 191
Total current liabilities		**11 265**	**10 501**
TOTAL LIABILITIES		**52 164**	**39 801**

Statement of comprehensive income *(in thousands of euros)*

	Note	Financial year ended December 31th,	
		2015	**2014**
Revenue from ordinary activities			
Sales	*p*	21 812	20 062
Other revenue	*p*	1 844	1 657
Total revenue from ordinary activities		**23 656**	**21 719**
Operating expenses			
Direct costs of sales		(11 619)	(10 624)
Indirect costs of production and services	*s*	(3 487)	(2 757)
Research and development	*s*	(3 744)	(3 209)
Sales and Marketing	*s*	(7 041)	(6 884)
Regulatory	*s*	(627)	(651)
Administration	*s*	(3 581)	(3 250)
Share-based payments	*r*	(218)	(498)
Total operating expenses		**(30 317)**	**(27 872)**
OPERATING INCOME		**(6 661)**	**(6 152)**
Financial expenses	*t*	(617)	(149)
Financial revenue	*t*	97	1 056
INCOME FROM ORDINARY ACTIVITIES BEFORE INCOME TAXES		**(7 181)**	**(5 245)**
Income tax expense	*u*		
NET INCOME FOR THE PERIOD - Attributable to the parent		**(7 181)**	**(5 245)**
Items that will subsequentely be reclassified in net profit or loss			
Translation adjustment on foreign entities		447	263
Items that will not be reclassified in net profit or loss			
Actuarial difference on pension commitments		66	(74)
COMPREHENSIVE INCOME FOR THE PERIOD		**(6 668)**	**(5 056)**
Basic and diluted net income per share (in €)	*x*	(0,38)	(0,29)

STATEMENT OF CHANGES IN EQUITY *(in thousands of euros)*

EOS IMAGING Equity	Capital	Share premium	Treasury share	Consolidated reserves	Translation differences	Consolidated result	Total
31-dec-13	**180**	**62 015**	**(282)**	**(25 917)**	**(45)**	**(5 884)**	**30 067**
Appropriation of the result N-1				(5 884)		5 884	
Capital increase	4	20					24
BSA Award		2					2
Change in translation differences					263		263
Change in actuarial differences				(74)			(74)
Result for the period N						(5 245)	(5 245)
Payments in shares				395			395
Treasury shares			33				33
31-dec-14	**184**	**62 037**	**(249)**	**(31 481)**	**218**	**(5 245)**	**25 464**
Appropriation of the result N-1				(5 245)		5 245	
Capital increase	18	8 511					8 530
Capital increase resultaing from the exercice of options		22					22
Change in translation differences					447		447
Change in actuarial differences				66			66
Result for the period N						(7 181)	(7 181)
Payments in shares				488			488
Treasury shares			(68)				(68)
31-dec-15	**202**	**70 571**	**(317)**	**(36 173)**	**665**	**(7 181)**	**27 768**

STATEMENT OF CASH FLOWS (*in thousands of euros)*

	Fiscal year closed on 31 December	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	(7 181)	(5 245)
Financial income on acquisition		(750)
Elimination of depreciation, amortisation and provisions	1 157	1 036
Calculated revenue and expenditure related to share-based payments	218	395
Internally generated funds from operation	**(5 806)**	**(4 564)**
Change in working capital requirements related to operations	**(6 892)**	**(27)**
Inventory and work in process	(1 858)	389
Accounts receivable	(4 498)	(3 150)
Other current assets	(1 116)	76
Accounts payable - trade	(89)	1 278
Other current liabilities	669	1 379
Net cash flow related to operating activities	**(12 698)**	**(4 591)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and non-current intangible assets	(1 537)	(1 395)
Change in financial assets	1	
Acquisition of Onefit Medical	61	(83)
Net cash flow from investing activities	**(1 475)**	**(1 478)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital increase	8 302	24
Issue of Warrants		2
Reimbursable advances and financial interest	29	373
Reimbursable advances - reimbursement	(123)	
Acquisition of treasury shares	(4 441)	(6 456)
Disposal of treasury shares	4 373	6 489
Bound financing	9 912	
Net cash flow related to financing activities	**18 052**	**432**
Impact of current rate fluctuations	58	50
Change in cash	**3 937**	**(5 587)**
Cash and cash equivalent at beginning of period	10 154	15 742
Cash and cash equivalent at beginning of period	**10 154**	**15 742**
Cash and cash equivalent at close of period	14 091	10 154
Cash and cash equivalent at close of period	**14 091**	**10 154**
Change in cash	**3 937**	**(5 587)**

NOTES TO THE FINANCIAL STATEMENTS

a. The Company

Created in 1989, EOS imaging SA develops an innovative imaging medical device for musculoskeletal disorders and orthopaedic treatments, as well as related software applications.

For the purposes of its international development, the Company established four subsidiaries:

- EOS imaging Inc. in the United States in June 2006;
- EOS image Inc. in Canada in August 2000;
- EOS imaging GmbH in Germany in May 2008;
- EOS imaging Pte Ltd in Singapore in May 2015.

On November 2013 the Company acquired 100% of the shares of OneFit Médical, publisher of knee and hip surgery planning software and manufacturer of patient-specific cutting guides for orthopaedic surgeries.

The Company was listed on the NYSE Euronext regulated market in Paris on 15 February 2012.

b. Significant events

Bond issue

On 9 January 2015, the Company issued the following:

- 60,000 bonds with stock warrants attached (OBSA) with a nominal value of €9 each, representing a total of €540,000. The stock warrants entitle the owners to subscribe to a share at an exercise price of €4.71. They may be exercised in full or in part, in one or more instalments, before 9 January 2022.

- Three tranches of ordinary bonds at a unit price of €1 for a total amount of €14,460,000. The first tranche, for €4,460,000, was subscribed in March 2015. The second tranche, for €5,000,000, was subscribed in December 2015. The last tranche, for €5,000,000, is optional and may be subscribed up till 30 June 2016.

Loans have a four-year term and are remunerated at Euribor plus a 7.75% margin. A fund has undertaken to subscribe to all these shares.

Exercise of 603,449 stock warrants relating to the earn-out on acquisition of OneFit Médical shares

In November 2013, the Company acquired all the shares of OneFit Médical for €4 million. The acquisition memorandum of understanding envisaged an earn-out clause of €1 million, tied to achieving regulatory and revenue objectives, to be paid to the former shareholders of OneFit Médical under the form of a grant of 1,810,347 warrants to subscribe for 172,416 new shares of EOS imaging.
Since the targets were only partially achieved, the €1 million earn-out was reduced to €250K recognized as financial liabilities as at 31 December 2014.
During the first quarter of 2015, former OneFit Médical shareholders exercised the 603,449 stock warrants granted to them for the achievement of these targets and subscribed to 43,102 new shares. The

resulting capital increase was recognized in the financial statements for the year ended 31 December 2015. The movements are presented in Note 12.

Private placement

On 6 October 2015, EOS imaging placed 1,789,909 new shares of a nominal unit value of €0.01, at a price of €4.85, including the issue premium, for a total of approximately €8.7 million, representing 9.7% of the Company's share capital.

The principle of the operation was authorized on 1 September 2015. The transaction was implemented by a decision of the Board of Directors at its meeting on 5 October 2015 and by a decision of the Chief Executive Officer on 6 October 2015 in accordance with the delegation granted by the Combined Shareholders' Meeting of 17 June 2015.

The capital increase was carried out by issuing common shares with cancellation of preferential subscription rights by private placement to qualified investors in accordance with Article L. 411-2 II of the French Monetary and Financial Code.

At the end of this transaction, the Company's share capital stood at €202,420 and was made up of 20,228,974 common shares fully subscribed and paid up, with a par value each of €0.01 (see Note 12).

Creation of a subsidiary in Singapore

On 6 May 2015, the Company created a subsidiary in Singapore, wholly-owned by EOS imaging SA. It has a capital of €47K. No revenues were recorded for this subsidiary for the 2015 financial year.

Changes to the Board of Directors

The term of director and Chairman of Michael J Dormer expired at the General Meeting called to approve the financial statements of the financial year ending 31 December 2014 that was held on 17 June 2015.

The term of director of Philip Whitehead also expired at the same time.

At the Combined General Meeting of 17 June 2015, Gérard Hascoët was appointed director for a three-year term expiring at the end of the general meeting that will be called to approve the financial statements for the year ending 31 December 2017. At the meeting of the Board of Directors that was held on 10 July 2015, Gérard Hascoët was elected Chairman of the Board of Directors for his remaining term as director until the end of the ordinary general meeting that will be called to approve the financial statements for the year ending 31 December 2017.

At the Combined General Meeting of 16 October 2015, Paula Ness Speers was appointed director for a three-year term expiring at the end of the general meeting that will be called to approve the financial statements for the year ending 31 December 2017.

c. Approval of financial statements

The annual consolidated financial statements as of 31 December 2015 of EOS imaging were approved by the Board of Directors on 28 April 2016.

d. Accounting principles and policies

<u>Basis of preparation of financial statements</u>

The financial statements are presented in thousands of euros.

Numbers are rounded for the purposes of calculating certain financial data and other information contained in these financial statements. As a result, the totals specified in certain tables may not be the exact sum of the preceding numbers.

The financial statements are prepared on the historical cost basis, except for financial assets measured at fair value. When preparing financial statements under IFRS, it is necessary to make estimates and assumptions that affect the amounts and the information provided in the financial statements. Actual results may differ substantially from these estimates on the basis of different assumptions or conditions and, where appropriate, a material sensitivity analysis may be carried out. The main line item affected is the one relating to share-based payments (see section r. “Share-base payments”).

<u>Basis of accounting</u>

Pursuant to European regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of EOS imaging were prepared according to IFRS standards and interpretations as adopted by the European Union as at 31 December 2015. These are available on the website of the European Commission:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The accounting principles and policies used to prepare the annual consolidated financial statements for the financial year ended 31 December 2015 are identical to those used for the financial year ended 31 December 2014.

The other standards, amendments to the standards and interpretations adopted by the European Union and whose application is mandatory for the Group as at 1 January 2015 are as follows:

- IFRIC 21 – Levies – Accounting for a liability imposed as a duty or required tax
- Annual improvements 2011 – 2013
    - amendment of IFRS 1 – First-time Adoption of IFRS;
    - amendment of IFRS 3 – Business combinations;
    - amendment of IFRS 13 - Fair Value Measurement;
    - amendment of IAS 40 – Investment Property.

The first-time application of these standards does not materially impact the consolidated financial statements as at 31 December 2015.

In addition, the group elected not to apply in advance the following new standards, amendments to standards and interpretations that have not yet been adopted by the European Union or were not yet mandatory as at 31 December 2015:

- amendments to IAS 1 "Disclosure initiative";
- amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of depreciation and amortization";
- amendments to IAS 27 "Equity Method in Separate Financial Statements";
- amendments to IFRS 11 "Acquisition of an interest in a joint operation";
- IFRS annual improvements (2012-2014).

Standards not yet adopted by the European Union are:

- IFRS 9 "Financial Instruments";
- IFRS 15 "Revenue from contracts with customers";

- IFRS 16 "Leases";
- amendments to IAS 7 "Statement of cash flow";
- amendments to IAS 12 " Recognition of Deferred Tax Assets for Unrealized Losses";
- amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities": applying the consolidation exception";
- amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture partner".

Management does not anticipate that the application of these standards will have a material impact on the consolidated financial statements.

Consolidation methods

A subsidiary is any entity over which the Company has the power to direct the financial and operating policies, this power generally deriving from ownership of more than half the voting rights. Subsidiaries are fully consolidated from the date on which the Company acquires control of them. They are deconsolidated from the date on which control is no longer exercised.

Inter-company transactions and balances are eliminated. The accounting methods of the subsidiaries match those of the Company.

At the date of publication of these consolidated financial statements, EOS imaging SA (the parent) has five fully consolidated, wholly-owned subsidiaries:

- EOS imaging Inc.;
- EOS image Inc.;
- EOS imaging Gmbh
- OneFit Médical.
- EOS imaging, Pte Ltd.

Net investment in a foreign operation

Receivables vis-à-vis consolidated foreign subsidiaries where settlement is not foreseeable are deemed to represent a net investment in foreign currencies. To this end and pursuant to IAS 21, foreign currency gains and losses on these receivables in functional currencies translated into euros for consolidation purposes were recognized under “other comprehensive income”.

Business combinations

In accordance with IFRS 3 as revised, the identifiable assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities are recognized at fair value as at the acquisition date.

The item transferred is measured at fair value and includes the fair value of contingent items, if any.

The associated costs of an acquisition are recognized as an expense of the period in which they were incurred.

The positive difference measured at the date control was taken, between the acquisition cost of the entity and the net financial position attributable to the acquirer, is entered into "Goodwill" on the asset side of the consolidated statement of financial position. When the difference is negative, it is recognized directly in profit and loss.

Goodwill is not amortized but its value is tested at least once a year and at any time there appears to be some indication of impairment.

Non-current intangible assets

Pursuant to the criteria laid down in IAS 38, acquired intangible assets are recognized as assets at acquisition cost in the statement of financial position.

Research and development expenses

The Company develops an innovative imaging medical device for musculoskeletal disorders and orthopaedic treatments, as well as related software applications, which are regularly updated with new versions released on the market.

Research expenses are systematically expensed.

Pursuant to IAS 38, development expenses are recognized as non-current intangible assets if and only if all the following criteria are satisfied:

(a) technical feasibility necessary to complete the development project,

(b) the company's intention to complete the project and put it to use,

(c) ability to use the intangible asset,

(d) demonstration of the likelihood of future economic benefits flowing from the asset,

(e) availability of technical, financial and other resources to complete the project; and

(f) reliable measurement of development expenses.

By applying this standard and since 1 January 2008, expenses related to developing new functionalities for products and software applications are capitalized as assets. On the other hand, the cost of research and of improving existing features continues to be expensed as incurred.

Capitalized development costs, which primarily comprise employee benefit expenses, are amortized on a straight-line basis:

- over one to five years, for EOS products, estimated on the basis of the average lifespan of new features;
- over three years for sterEOS products. This is the estimated average lifespan of new functionality offered by each new version released.

Patents

The costs of filing valid patents, incurred by the Company until they are granted, are recognized as non-current intangible assets by virtue of the fact that they satisfy the capitalization criteria set out in IAS 38. They are amortized on a straight-line basis from issuance of the patents over their lifetime, namely 20 years.

Software

Software license acquisition costs are posted as assets on the basis of the costs incurred to acquire them and to get the software in question up and running. They are amortized on a straight-line basis over a period of one year.

Property, plant, and equipment

Items of property, plant and equipment are posted at acquisition cost. Major improvements and refurbishments are capitalized, while repair and maintenance expenses and the cost of other refurbishment work are expensed as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter length of their own useful lives or the length of the lease.

The following depreciation periods are used:

Industrial and lab equipment	3 to 5 years
Fixtures and fittings	10 years
Office and computer equipment	3 years

Office furniture 5 years

Financial assets

Financial assets include available-for-sale financial assets, held-to-maturity investments, loans and receivables and cash and cash equivalents.

The valuation and accounting of financial assets and liabilities are defined by IAS 39 "Financial Instruments: Recognition and Measurement".

Available-for-sale financial assets

Available-for-sale financial assets primarily consist of capitalized securities that do not satisfy the definition of other categories of financial assets. They are measured at fair value and changes in value are recognized in equity.

The fair value represents the market price of listed securities or an estimate of the value in use for unlisted securities, determined using the most appropriate financial criteria for each individual security. Where there is an objective indication of the impairment of these securities, the cumulative loss that had been recognized in equity is taken to income.

Held-to-maturity investments

These securities are exclusively securities with fixed or determinable payments and with fixed maturities, other than loans and receivables, which the Company has the intention and ability to hold to maturity. After their initial posting at fair value, they are valued and recognized at amortized cost on the basis of the effective interest rate ("EIR") method. The effective interest rate is the rate that equates the expected future cash outflows to the net present book value of the financial liability in order to calculate its amortized cost.

Held-to-maturity investments are monitored for objective indications of impairment. Financial assets are impaired when the book value exceeds the recoverable amount estimated during impairment testing. Any impairment loss is recognized in income.

Loans and receivables

This category includes receivables from equity interests, other loans and receivables and trade receivables.

These instruments are initially recognized at fair value and subsequently at amortized cost calculated using the effective interest rate method. Short-term receivables without declared interest rates are measured at the amount of the original invoice so long as the application of an implied interest rate is not material.

For floating-rate loans and receivables, periodic cash flow re-estimations, to reflect changes in market interest rates, change the effective interest rate and accordingly the valuation of the loan or receivable.

Loans and receivables are monitored for objective indications of impairment. Financial assets are impaired when the book value exceeds the recoverable amount estimated during impairment testing. Any impairment loss is recognized in income.

Loans and receivables also include deposits and guarantees, classified as long-term investments in the statement of financial position.

Financial assets at fair value through profit or loss

Assets deemed to be held for trading include assets that the Company intends to re-sell in the short-term for capital gains, which are part of a portfolio of financial instruments managed together and for which there is a recent pattern of short-term profit-taking. Trading assets may also include assets voluntarily placed in this category, regardless of the above criteria (designated at “fair value”).

Recoverable amount of non-current assets

Property, plant and equipment and non-current intangible assets with definite useful lives are tested for impairment when the company identifies indicators of impairment liable to affect the recoverability of their book value. An impairment loss is recognized for the amount by which the book value exceeds the recoverable amount of the asset. The recoverable amount of an asset is the higher of the fair value less costs to sell or the value in use.

Inventory and work in process

Inventories are recognized at the lower of cost or net realizable value. In the latter case, the impairment loss is expensed.

Inventories are measured using the weighted average unit cost method.

Cash, cash equivalents and financial instruments

Cash and cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. They are readily convertible into a known amount of cash and are subject to an insignificant risk of a change in value. Cash and cash equivalents comprise immediately available liquid assets, readily saleable term investments and short-term investments. They are measured under the IAS 39 categories to which they belong.

Short-term investments are readily convertible into a known amount of cash and are subject to an insignificant risk of a change in value. They are measured at fair value and changes in value are recognized under "financial profit (loss)".

Capital

Common shares are classified in equity. Costs of capital transactions directly attributable to the issue of new shares or options are recognized in equity as a deduction from the proceeds of the issue.

Share-based payments

Since its founding, the Company has implemented a number of remuneration plans using equity instruments in the form of stock options granted to employees of EOS imaging in France. It has also awarded free shares to employees, as well as stock warrants to directors.

The Company has applied IFRS 2 to all equity instruments granted to employees and directors since 2007.

Pursuant to IFRS 2, the cost of transactions settled in equity instruments is expensed, offset by an increase in equity over the period in which the rights to receive equity instruments vest.

For the 2007 to 2011 plans, since all options issued vest when an employee leaves, there is no vesting period and the fair value of plans was fully recognized as of the reporting date of the financial year in which the plan was granted.

Since 2012, the fair value of stock options and free shares awarded to employees and that of the stock warrants offered to directors is determined by applying the Black-Scholes option valuation model, as described in section r."Share-based payments".

Measurement and recognition of financial liabilities

Financial liabilities at amortized cost

Borrowings and other financial liabilities are initially measured at fair value and subsequently at amortized cost, calculated using the effective interest rate.

Transaction costs directly attributable to the acquisition or issue of a financial liability are deducted from said financial liability. These costs are subsequently amortized on an actuarial basis over the lifetime of the liability, on the basis of the effective interest rate.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are measured at fair value.

Grants and regulated government subsidies

The Group has received a certain amount of financial aid, in the form of grants and regulated government subsidies. Details of this aid can be found in section n. "Non-current Financial liabilities".

The subsidies are recognized where there is reasonable assurance that:

- the Group will comply with the conditions attached to the subsidies and
- and the subsidies will be received.

Loans repayable under certain conditions are treated like government subsidies where there is reasonable assurance that the Company will satisfy the conditions for loan forgiveness. Otherwise, they are classified as liabilities.
A government subsidy to be received as either compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company, without related future costs, is recognized as income in the period in which it becomes receivable.

Provisions

Provisions for contingencies and losses

Provisions for contingencies and losses represent commitments arising from sundry risks and disputes, the timing and amount of which are uncertain, that the Company may face in the course of its business activities.
A provision is recognized where the Company has a legal or constructive obligation to a third party arising from a past event that is likely or certain to result in an outflow of resources to this third party, with no equivalent consideration to be expected from it, and where the future cash outflows can be reliably estimated.
The amount of provision funded is the best estimate of the expenditure required to settle the obligation, where necessary discounted at the reporting date.

Warranty provision

Sales are covered by a warranty period of at least one year. The assessment of the cost of the warranty as well as the likelihood that these costs will be incurred are based on an analysis of historical data. The provision represents the cost of maintaining systems under warranty, for a maximum one-year warranty period and for the remaining period at the reporting date for all systems sold.

Pension liabilities

Company employees enjoy the pension benefits provided for by law in France:

- receipt of a retirement lump sum, paid by the Company upon their retirement (defined benefit scheme);
- payment of pension benefits by social security schemes, financed out of contributions by employers and employees (state-run defined contribution scheme).

For a defined benefit scheme, pension benefit costs are estimated using the projected unit credit method. Under this method, pension costs are recognized in income in a manner that staggers them evenly over the length of service of employees. Pension liabilities are measured at the present value of future payments estimated on the basis of the market rate of long-term investment-grade corporate bonds with maturities matching the estimated duration of the scheme.
Following the revision of IAS 19, actuarial gains and losses are no longer amortized in expense but totally recognized in other items of comprehensive income; changes in the scheme are treated as the costs of past services and recognized immediately in profit and loss.
The Company retains actuaries to carry out an annual review of the valuation of these schemes.
Employees of foreign subsidiaries do not enjoy pension benefits.

Revenue from ordinary activities

Sales revenue

The Company’s revenue is generated from the sale of medical imaging equipment and related services.

Revenue represents the fair value of the consideration received or receivable for the goods sold in the normal course of the Company's business activities. Revenue is net of value added tax, product returns, rebates and discounts, and less inter-company sales.
The Company recognizes income once it can be reliably measured, it is likely that the future economic benefits will flow to the Company and that the specific criteria have been satisfied for the Company's business activities.
In the case of machine sales, revenue is recognized when all the risks and benefits of ownership of the property are transferred to the buyer, which, depending on the case, may be upon shipping, delivery or installation of the equipment.
Equipment sales are covered by a warranty. Only income relating to the warranty period exceeding one year is deferred, and recognized in income in the relevant period, warranties of up to one year not being sold separately from the equipment.

Other income

**) Grants and subsidies*

Since its inception, the Company has, by virtue of its innovative nature, received a certain number of grants or subsidies from the government or local authorities to defray its running costs or the cost of certain new hires. Subsidies are recognized in income as and when the associated expenses are incurred, independently of when they are actually received.

**) Research tax credit*

Research tax credits are granted to companies by the French government to encourage them to carry out technical and scientific research. Companies demonstrating expenditure that satisfies the necessary criteria (research expenditure located in France or, since 1 January 2005, within the European Community or another State that is a part of the European Economic Area that has signed a tax agreement with France containing an administrative support clause) receive a tax credit that can be used to pay income tax due in the financial year within which the expenditure is incurred and the subsequent three financial years or, where applicable, be refunded the excess.
The group has received research tax credits since its founding and annually requests its reimbursement under the Community PME (Small and medium-sized enterprises) scheme in compliance with applicable legislation.
This financing is recognized under "other income" in the financial year in which the corresponding expenses are recognized. The portion of financing relating to capitalized expenses is deducted from the capitalized expenses in the statement of financial position and from the associated amortization expenses in the income statement.

Leases

The group is not party to any finance lease as per IAS 17.
Leases in which a significant part of the risks and benefits are retained by the lessor are classified as operating leases. The payments made under these operating leases, net of any incentive, are expensed on a straight-line basis over the term of the lease.

Income tax

Deferred tax is recognized in line with the broad interpretation and using the liability method, for any timing differences between the tax and accounting bases of assets and liabilities in the financial statements. The main timing differences are associated with tax losses available for carry-forward. The tax rates enacted as of the reporting date are used to determine the deferred taxes.
Deferred tax assets are only recognized where it is likely that there will be sufficient future earnings to absorb the tax loss carry-forwards. Given its stage of development, which means that it is not possible to produce sufficiently reliable earnings forecasts, the Company does not recognize net deferred tax assets.

Segment information

The Company primarily operates in France and North America.

Research and development costs, production costs, regulatory expenses and the bulk of marketing, clinical and administrative costs are incurred in France.

At present, these costs are not accurately broken down by region in which the Company's products are marketed. As a result, the Company's performance is currently assessed on a consolidated basis.

Non-current assets and revenue by geographic region can be found in detail in sections e. "Goodwill" to h. "Financial assets and other assets" and in section p. "Revenue from ordinary activities".

Other comprehensive income

Components of income and expenses for the period recognized directly in equity are presented, where applicable, under "other components of total income".

These constitute euro-USD dollar, euro-CAD dollar and euro-Singapore dollar translation differences on the portion of inter-company receivables vis-à-vis the US, Canadian and Singaporean subsidiaries classified as a net investment in a foreign operation as well as actuarial gains and losses on retirement obligations.

Significant estimates and accounting judgements

Preparation of the financial statements according to the accounting standards described above requires management to make estimates and judgements based on historical information and other factors, particularly anticipated future events deemed reasonable in view of the circumstances. These estimates and judgments are primarily the valuation of stock options.

The fair value of stock options granted to employees is measured based on actuarial models. These models require the Company to use a number of calculation assumptions, such as the expected volatility of the security.

e. Goodwill

On 27 November 2013, EOS imaging acquired all of the shares of OneFit Médical for 4 million euros, of which €0.5 million was paid in cash and €3.5 million by the issuance to former OneFit Médical shareholders of 603,449 warrants for EOS imaging shares.

The acquisition memorandum of understanding envisaged an earn- out clause of €1 million, tied to achieving regulatory and revenue objectives, to be paid to the former shareholders of OneFit Médical under the form of a grant of 1,810,347 warrants to subscribe for 172,416 new shares of EOS imaging.

Taking into account the partial achievement of the objectives as at 31 December 2014, this earn-out of €1 million was reduced by €750K. With regard to the future economic advantages that the Group believes it can extract from the acquisition of ONEFIT Médical, the acquisition price of €5 million including the entire earn-out has been maintained and the difference has been accounted for as financial revenue in 2014.

f. Non-current intangible Assets

Changes in non-current intangible assets may be analyzed as follows:

Non-current intangible assets	31/12/2014	Acquisitions	Reallocation	Decreases	Change in exchange rate	31/12/2015
Development costs	2 837	684	11			3 532
Software	1 035	265	20		1	1 321
Patents	374	103				477
Total gross value - non-current intangible	**4 246**	**1 052**	**31**		**1**	**5 329**
Development costs	1 496	416				1 912
Software	759	142	2		1	903
Patents	46	15				61
Total depreciation, amortisation and impai	**2 301**	**573**	**2**		**1**	**2 876**
Total net value - non-current intangible asse	**1 945**	**479**	**29**		**1**	**2 453**

During the financial year, the Group continued to develop new functionalities for its equipment and software applications.

In accordance with IAS 36, an impairment test is conducted on financial assets each year to verify that their value corresponds at least to their net carrying amount recognized in the Group's balance sheet.

The impairment test of the value of the shares of OneFit was performed according to the Discounted Cash Flows (DCF) method. The revenue used for this estimate was calculated on the basis of:

- sales of consumables and related services (historic business of the acquired company);
- Incremental sales of EOS systems expected from the marketing of EOS apps (applications) since 2015.

g. Property, plant, and equipment

Changes in Property, plant and equipment may be analyzed as follows:

Property, plant and equipment	31/12/2014	Acquisitions	Reallocation	Decreases	Change in exchange rate	31/12/2015
Fixtures and fittings	861	71		(54)	24	902
Fittings and technical equipment	1 616	270	(73)	(1)		1 812
Office and computer equipment	617	91	(31)	(7)	15	687
Furniture	4					4
PPE in progress		53	73			126
Total gross value - property, plant and equipment	**3 099**	**485**	**(31)**	**(62)**	**40**	**3 531**
Fixtures and fittings	487	82		(54)	16	531
Fittings and technical equipment	807	228				1 035
Office and computer equipment	482	76	(2)	(7)	11	560
Furniture	2					2
Total depreciation, amortisation and impairment	**1 777**	**385**	**(2)**	**(61)**	**27**	**2 127**
Total net value - property, plant and equipment	**1 322**	**100**	**(29)**	**(1)**	**12**	**1 405**

The €83K increase in net value of the property, plant, and equipment line primarily concerns R&D equipment for developments made by the Group, as well as an increase in office and computer equipment, linked to the increase in the workforce.

Net non-current intangible assets and property, plant and equipment by geographical sector are as follows:

h. Financial assets and other assets

Changes in non-current financial assets may be analyzed as follows:

Non-current financial assets	31/12/2014	Acquisitions	Decreases	Change in exchange rate	31/12/2015
Deposit	169	17	(79)	1	107
Total net value - non-current financial assets	**169**	**17**	**(79)**	**1**	**107**

i. Inventory and work in progress

Inventory and work in process (in thousands of euros)	Fiscal year closed on 31 December 2015	2014
Componants	2 145	2 825
Finished products	2 539	
Depreciation		
Total net value - inventory and work in process	**4 684**	**2 825**

The 66% increase in inventory and work in progress compared to 31 December 2014 is the result of the production of equipment based on sales forecasts that turned out to be higher than actual sales in the last quarter. This production was recognized on the "finished products" line.

j. Trade receivables and other current assets

Accounts receivable

Accounts receivable (in thousands of euros)	Fiscal year closed on 31 December 2015	2014
Accounts receivable	19 432	14 529
Depreciation of accounts receivable	(118)	(113)
Total net value - accounts receivable	**19 313**	**14 416**

The 34% increase in trade receivables is primarily due to the sharp rise in payment times, resulting from the delay in installing systems sold.
All trade receivables presenting a risk of insolvency were impaired.
During the financial year ended on 31 December 2015, no customer individually accounted for more than 10% of consolidated sales.

Other current assets

Other current assets may be analyzed as follows:

Other current assets (in thousands of euros)	Fiscal year closed on 31 December 2015	2014
Research tax credit	1 614	2 278
Credits from suppliers	742	101
Value added tax	1 107	546
Prepaid expenses	424	319
Subsidies to be received	993	403
Other receivables	100	190
Total other current assets	**4 980**	**3 838**

The research tax credit recognized at 31 December 2015 is equal to the income recognized for eligible expenditure during the period by EOS imaging and OneFit. The budget line also includes the competitiveness and employment tax credit (CICE) of the two companies for 2015, the 2014 CICE for EOS imaging, which had not been reimbursed at the end of the period as well as the 2015 Innovation Tax Credit (CII) for OneFit. Reimbursements of research tax credit for 2013 and 2014 were made during the year, as were reimbursements of 2013 CICE for EOS imaging and 2014 CICE for OneFit.
The "Credits from suppliers" line primarily concerns goods returned.
The VAT receivable relates mainly to VAT repayment claims of the last quarter of 2015, amounting to €795K, and the balance is equal to the VAT deductible on goods and capital assets.
Prepaid expenses mainly relate to rent, insurance premiums and advertising costs.
The €590K increase in the "Subsidies to be received" line corresponds to payments expected for two collaborative projects.

Research tax credit and competitiveness and employment tax credit

Changes in the line item are as follows:

Receivable balance sheet closing on 31-12-2013	2 142
Revenue	1 183
Payments	(1 049)
Change in exchange rate	1
Receivable balance sheet closing on 31-12-2014	2 278
Revenue	1 504
Payments	(2 243)
Reallocation	78
Change in exchange rate	(2)
Receivable balance sheet closing on 31-12-2015	1 614

k. Cash and cash equivalents

Cash and cash equivalent (in thousand of euros)	Fiscal year closed on 31 December 2015	2014
Short-term bank deposits	13 907	9 903
Money market funds (SICAV)	184	251
Total	**14 091**	**10 154**

Short-term bank deposits consist of current accounts of €10.9 million, a term account in the amount of €3 million, and short-term investments of €184K, resulting from the implementation of the liquidity contract.

l. Capital

Share capital issued

The table below shows changes in the Company's capital over the period:

	Total as at 31 december 2013	**180 059**	**62 014 958**	**18 005 878**
28/01/2014	Capital increase resulting from exercice of options	120	11 880	12 000
25/02/2014	Capital increase resulting from the allocation of free shares	3 600	(3 600)	360 000
23/05/2014	Issue of warrants		1 800	
14/05/2014	Capital increase resulting from exercice of options	10	990	1 000
15/05/2014	Capital increase resulting from exercice of options	47	8 096	4 689
07/08/2014	Capital increase resulting from exercice of options	15	1 485	1 500
02/12/2014	Capital increase resulting from exercice of options	15	1 485	1 500
	Total as at 31 december 2014	**183 866**	**62 037 094**	**18 386 567**
16/02/2015	Capital increase resulting from exercice of warrants	133	77 013	13 301
28/02/2015	Capital increase resulting from exercice of warrants	60	34 514	5 961
03/03/2015	Capital increase resulting from exercice of warrants	238	138 034	23 840
23/06/2015	Capital increase resulting from exercice of options	44	4 392	4 436
24/06/2015	Capital increase resulting from exercice of options	50	4 910	4 960
08/10/2015	Capital increase	17 899	8 261 925	1 789 909
15/11/2015	Capital increase resulting from exercice of options	3	342	345
03/12/2015	Capital increase resulting from exercice of options	127	12 528	12 655
	Total as at 31 december 2015	**202 420**	**70 570 752**	**20 241 974**

Capital increases result from the following transactions:

- exercise of 603,449 stock warrants relating to the earn-out on acquisition of OneFit (see section b. ”Significant events”)
- exercise of 22,396 stock options, resulting in the creation of 22,396 new shares
- issue of 1,789,909 new shares (see section b. ”Significant events”).

As at 31 December 2015, the share capital was €202,420. It is divided into 20,241,974 ordinary shares, fully subscribed and paid up, each with a par value of €0.01.

Treasury shares

Under the liquidity contract implemented following the initial public offering, the Company held 38,867 treasury shares on 31 December 2015. These shares reduced consolidated equity by €317K.

Stock options

On 8 December 2015, the EOS imaging Board of Directors decided to allocate 181,500 free shares to its employees, 39,500 of which went to employees with an employment contract by a group entity based in the United States.

The main characteristics of the plan are as follows:

- the vesting period of the shares allocated is two years for all beneficiaries;
- the only condition for vesting is the employee's continued employment during this two-year period;
- beneficiaries with an employment contract with an entity based outside the United States must hold their shares for a two-year period;
- beneficiaries with an employment contract with an entity based in the United States have no obligation to hold their shares.

The other plans, issued by the Company and outstanding at 31 December 2015, are the following:

Type	Granted date	Outstanding as of au 31.12.2015
SO 2009	07/07/2009	470 389
SO 2010	06/07/2010	308 415
SO 2010	20/05/2011	44 625
SO 2012	21/09/2012	273 432
BSA	31/12/2012	40 000
SO 2014	23/05/2014	211 500
Free shares	08/12/2015	181 500
BSA	31/03/2015	120 000
		1 649 861

The impact on the statement of comprehensive income of share-based payments is presented in section r. "Share-based payments".

m. Provisions

Retirement payment commitments

	31/12/2014	Acquisitions	Decrease	31/12/2015
Retirement payments	297		(2)	295
Total	**297**		**(2)**	**295**

Calculations of retirement payment commitments are based on the following assumptions:

Valuation date	31/12/2015	31/12/2014
Retirement methods	*For all employees*: voluntary retirement at 65	*For all employees*: voluntary retirement at 65
Payroll tax rate	50%	50%
Discount rate	2.35%	1.80%
Mortality tables	INSEE TD/TV 2009 – 2011	INSEE TD/TV 2008 – 2010
Rate of salary increase (including inflation)	3%	3%
Turnover rate	Average rate of 6.6%, smoothed by	Average rate of 6.6%, smoothed by

	age category	age category

The rights of EOS imaging's employees are defined by the following collective bargaining agreements:

- *Accords Nationaux de la Métallurgie* (National Metallurgy Industry Agreements) (executives and non-executives);
- Regional Metallurgy Industry Agreement: Paris region (non-executives only).

n. Non-current financial liabilities

Financial liabilities (in thousands of euros)	FY closed on 31 December 2015	2014
Bond Financing	9 642	
OSEO advances	1 695	1 789
Zero-rate loan	1 500	1 500
Earn-out on OneFit Medical acquisition		250
Total	**12 837**	**3 539**

The €9.3 million increase in non-current financial liabilities over the year breaks down as follows:

- €9.6 million increase: bond issue as presented in section b. “Significant events”;
- €250K capital increase related to the exercise of stock warrants, as presented in section b. “Significant events”, with a symmetrical reduction in financial liabilities.
-

<u>BPI France advances</u>

- In the context of its participation in the Industrial Strategic Innovation project, EOS imaging received a reimbursable advance from OSEO in July 2009, for a maximum of €1,275 K.

  As at 31 December 2015, payments totaled €822K. They represent the share of the contractual funding of expenses incurred by the Company, which were lower than the forecasts made at the signing date of the program. As such, the commitment under this program was settled in accordance with these expenses.

  Reimbursements will be made according to the company's operating profit/loss, i.e. 0.5% of revenue from sales of products from the project, from the year following the year in which the company achieves aggregate sales of €30 million, then 0.75% once aggregate sales reach €50 million. The advance will be considered to have been repaid in full when the total of the payments made discounted at the rate of 4.47% reaches the total amount of the aid received discounted at the same rate. An initial repayment was made in June 2015 for an amount of €45K. As a result, this advance is shown in balance sheet liabilities in the amount of €946K, comprising €169K of accrued interest.
- As part of its development of a bespoke instrumentation for orthopaedic knee surgery, Onefit Médical received a reimbursable advance of €250K. The project was declared successful in 2015, and consequently, the reimbursement of the advance granted will be made over a 45-month period starting in 2016.

- OneFit Médical also received an innovation partnership loan of €150K for eight years including a three-year deferred amortization period and granted at the rate of three-month Euribor plus 5.6%, reduced to three-month Euribor plus 3.80% during the deferred amortization period. This loan is repayable in five years starting 31 May 2015. As at 31 December 2015, there had been repayments of up to €22.5K, bringing the balance of the debt to €127.5K.

- As part of its development of a new generation of knee instrumentation, Onefit Médical also received an interest-free repayable advance of €250K granted in June 2014. In the event that the project is technically or commercially successful, the reimbursement of the advance granted will be made over a 96 month period starting in September 2017. Should it fail, these repayments will be capped at €100K and made over a 33-month period, starting September 2017.

Other advances

Onefit Médical received a reimbursable advance granted in February 2014 by the ARDEA (Regional small business development grant-giving body) regional authority for €100K. For a term of five years, including a six-month deferred amortization period, this loan is repayable in 17 equal quarterly payments. As at 31 December 2015, the balance of this advance stood at €67K.

Onefit Médical also received a reimbursable advance of €86K granted in 2013 as a recruitment subsidy. As at 31 December 2015, the balance of this advance stood at €54K.

Interest-free OSEO loan

EOS imaging received an interest-free loan of €1.5 million from OSEO in May 2013, paid in July 2013.
This loan includes a deferred amortization period followed by a straight-line amortization period of 12 quarterly repayments, the first of which is due in March 2017.

o. Financial liabilities and other current liabilities, accounts payable

Accounts payable – trade

Accounts payable - Trade (in thousands of euros)	**FY closed on 31 December** **2015**	**2014**
Accounts payable - Trade	5 389	5 310
Total	**5 389**	**5 310**

This item has not been discounted since the amounts are not due for more than one year at the end of each period.

Other current liabilities

Provisions under one year

	31/12/2014	**Acquisitions**	**Decrease**	**31/12/2015**
Customer warranties	683	484	(348)	819
Total	**683**	**484**	**(348)**	**819**

The change in the provision for warranties in 2015 relates to:
- the revaluation of the maintenance costs of equipment under warranty;
- the increase in the amount of equipment under warranty, given the increase in sales during the financial year.

Other current liabilities

Other current liabilities (in thousands of euros)	FY closed on 31 December 2015	2014
Tax liabilities	369	589
Social security liabilities	1 876	2 159
Other liabilities	965	927
Deferred revenue	1 848	833
Total other current liabilities	**5 057**	**4 508**

Tax liabilities mainly comprise VAT payable, as well as payroll taxes.
Employee-related charges relate to wages, social security contributions and paid holidays.
Other liabilities consist primarily of royalty fees payable of €681K on equipment sold in 2014 and 2015.
Deferred income consists mainly of maintenance invoices.

Financial instruments on the statement of financial position and impact on income

Fiscal year closed on 31 December 2015	Balance sheet value	Fair value througth the income statement	Loans and receivables	Debt measured at amortised cost	Non-financial instruments
Non-current financial assets	107		107		
Accounts receivable	19 313		19 313		
Other current assets	4 980				4 980
Cash and cash equivalent	14 091	14 091			
Total asset	**38 491**	**14 091**	**19 421**		**4 980**
Long-term financial liabilities	12 837			12 837	
Short term bank loans					
Accounts payable - Trade	5 389			5 389	
Other current liabilities	5 876				5 876
Total liabilities	**24 102**			**18 226**	**5 876**

Fair value throught the income statement (in thousands of euros)	Fiscal year closed on 31 December 2015	2014
Losses on cash equivalents		
Revenue from cash equivalents		29
Fair value throught the income statement		**29**

p. Revenue from ordinary activities

Sales and other revenue

Sales and other revenue (in thousands of euros)	**FY closed on 31 December** **2015**	**2014**
Sales of equipment	17 850	17 197
Maintenance revenue	3 133	2 104
Sales of consommable and services	830	761
Turnover	**21 812**	**20 063**
Grants	446	478
Research tax credit	1 398	1 179
Total revenue from ordinary activities	**23 656**	**21 719**

EOS imaging recorded annual sales revenue of €21.8 million in 2015, up 9%.

Revenue from equipment sales rose 4% to €17.9 million.
Recurring income rose by 38%. It is broken down into maintenance revenues and sales of consumables and related services. Maintenance revenues rose 49% to €3.1 million against €2.1 million in 2014, and sales of consumables and related services rose 9% to €0.83 million against €0.76 million in 2014.

Sales by geographical area

Sales by geographical area (in thousands of euros)	**FY closed on 31 December** **2015**	**2014**
France	3 736	3 813
EMEA excluding France	5 431	4 863
North America	10 439	5 935
Asia	2 207	5 453
Total sales by geographical area	**21 812**	**20 063**

In 2015, EOS imaging recorded revenue of €2.2 million in Asia-Pacific, down 60%.
In the Europe-Middle East region, total revenue was €9.2 million, up 6%.
In North America, EOS imaging recorded revenue of €10.4 million, up 76%.

q. Payroll

Payroll (in thousands of euros)	FY closed on 31 December 2015	 2014
Salaries	7 375	7 056
Employment taxes and social security contribution	3 062	2 963
Retirement commitments	59	53
Share-based payments	218	498
Total payroll	**10 714**	**10 569**
Average Headcount	**116**	**106**

Personnel costs increased by 1.4% over the financial year. The 4% increase in wages and social security contributions is the result of the new hires made in 2014, fully reflected in 2015, as well as to a lesser extent, new hires in 2015.

The Group average headcount for 2015 stood at 116 employees, versus 106 at 31 December 2014, an increase of 9%.

The items presented above do not take into account development expenditures incurred under IAS 38 (see section d. "Accounting principles and policies").

r. Share-based payments

The stock option plans issued by the Company and current as at 31 December 2015 are described in section l. "Capital".

Stock options

Using the authorization granted by the Combined General Meeting of 16 January 2012, the Board of Directors on 21 September 2012 issued 376,916 stock options to employees of the Company, each carrying the right to purchase one ordinary share at a price of €4.07. As at 31 December 2015, 1,125 stock options had been subscribed.

The options offered to employees by the Board of Directors on 21 September 2012 are only exercisable on the following conditions:

- up to 25% of the options granted starting from the grant date;
- up to 25% of the options granted on each anniversary date following the award;
- no later than ten years from the grant date.

Thus the expense recognized as at 31 December 2015 for these stock option subscriptions was €33K.

The main assumptions used to determine the charge resulting from share-based payments applying the Black-Scholes options valuation model were:

- expected maturity: 5.5 to 7 years;
- dividend rate: zero;
- volatility equal to the average historical volatilities of a panel of comparable listed companies:

	SO 2007	SO 2009	SO 2010 (a)	SO 2010 (b)	SO 2012	Warrants 2012	SO 2014
Volatility	39.93%	40,75% à 41,62%	35.13%	38.06%	40.98%	37.82%	33.89%

- risk-free interest rate corresponding to the government borrowing rate on the dates the options were granted:

	SO 2007	SO 2009	SO 2010 (a)	SO 2010 (b)	SO 2012	Warrants 2012	SO 2014	Free Shares
Risk-free rate	4.60%	2,68% à 3,14%	2.43%	3.11%	1,32% à 1,77%	1,00% à 1,29%	0,89% à 1,16%	-0,04% à 0,12%

Using the authorization granted by the Combined General Meeting of 16 January 2012, the Board of Directors on 23 May 2014 issued 223,000 stock options to employees of the Company, each carrying the right to purchase one ordinary share at a price of €6.14. As at 31 December 2015 no option has been subscribed.
The main assumptions used to determine the charge resulting from share-based payments were:

- Expected maturity: 5.5 to 7 years
- Volatility: 33.89%
- Risk-free rate: 0.89% to 1.16%
- Dividend rate and turnover: zero

These stock options may be exercised up to 25% as from 23 May 2015, 25% as from 23 May 2016, 25% as from 23 May 2017 and the balance as from 31 December 2018.
The expense recognized as at 31 December 2015 for these stock options was €155K.

Stand-alone stock warrants

Making use of the authorization conferred by the Combined General Meeting of 16 January 2012, the Board of Directors on 31 December 2012 issued 270,000 stand-alone stock warrants to the directors, each entitling the owner to purchase one ordinary share at a price of €4.24. At 31 December 2013, 40,000 warrants were subscribed, the final date for subscriptions having been 30 June 2013.
The main assumptions used to determine the charge resulting from share-based payments were:

- Expected maturity: 5.5 to 6.5 years
- Volatility: 37.82%
- Risk-free rate: 1% to 1.29%
- Dividend rate and turnover: zero

33% of these warrants could be exercised as from 31 December 2013, 33% as from 31 December 2014 and the remainder as from 31 December 2015.
The expense recognized as at 31 December 2015 for these warrants was €11K. As at 31 December 2015 no warrant had been subscribed.

Free shares

On 8 December 2015, the Group decided to issue 181,500 free shares. The expense recognized as at 31 December 2015 for these shares was €19K (see section l. "Capital").
The strike prices, estimated life and fair value of underlying shares on the date of allocation of warrants were used to value each category of share-based payments. They are presented in the table below:

Type	Option fair value	Number of shares granted	Plan fair value (in thousands euros)
SO 2007	5.26 €	255 900	1 345
SO 2009 (a)	0.47 €	395 845	487
SO 2009 (b)	1.49 €	200 657	299
SO 2010 (a)	1.04 €	413 500	429
SO 2010 (b)	1.09 €	53 000	58
Free shares	5.15 €	360 000	1 854
SO 2012 (a)	between 1,61€ et 1,84€	376 916	651
SO 2012 (b)	between 2,02€ et 2,18€	40 000	84
SO 2014	between 3,92€ et 4,33€	223 000	380
Free shares	between 1,97€ et 2,26€	181 500	593
Warrants	2.25 €	120 000	270
Total			**6 450**

In the case of employees leaving the Company before their exercise date, options granted before 2012 vest and become exercisable before the exercise date. Therefore there is no vesting period for these grants and the fair value of the plan has been recognized immediately and in full at the end of the financial year during which the plan was granted.

The table below summarizes the costs shown in the profit and loss account under the column "share-based payments".

(in thousands euros)	Free shares	SO 2012	Warrants	SO 2014	Free shares	Total
31/12/2012	852	91				943
31/12/2013	888	190	47			1 125
31/12/2014	114	130	26	125		395
31/12/2015		33	11	155	19	218
Total	**1 854**	**444**	**84**	**280**	**19**	**5 299**

Detailed information on the number of options by class and the exercise price is given in section l. “Capital”.

s. Breakdown of operating expenses

Direct costs of goods and services

Direct costs of sales (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	10 098	9 342
Payroll	939	659
Royalties	447	443
Provisions	135	180
Total direct costs of sales	**11 619**	**10 624**

Direct costs of sales consist primarily of costs of production, transportation, and installation of equipment sold during the year, as well as maintenance costs for equipment installed and maintained by EOS imaging.

As the system integration phase is sub-contracted, production costs are mainly made up of purchasing and sub-contracting costs, the increase in which is directly related to system production volumes over the period.

The 31% increase of the maintained installed base during the year was reflected in the combined increase in replacement part consumption, which slightly penalized the margin for the year. The same applied to the increase in payroll related to the resultant increase in maintenance staff.

The improvement in productivity resulted in a 3% reduction in the production cost of equipment, which was this time tempered by an unfavorable exchange-rate effect on purchases in foreign currency over the period.

Lastly, the 9% increase in the average sale price of equipment, facilitated by a favorable exchange-rate trend, pushed gross margin by more than 2 points.

These various effects stabilized the margin, which remained the same as for 2014, at 47%.

Indirect cost of production and service

Indirect costs of production and service (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	1 085	759
Travel expenses	826	512
Payroll	1 506	1 450
Depreciation, amortisation and provisions	70	37
Total indirect costs of production and service	**3 487**	**2 757**

Indirect costs of production and service rose 27% compared with the previous year. This is primarily due to an increase in travel and subcontracting costs incurred by the support functions.

Research and development

Research and Development (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	817	699
Travel expenses	59	55
Payroll	2 161	1 813
Depreciation, amortisation and provisions	706	641
Total research and development	**3 744**	**3 208**

Before IFRS restatements are taken into account, gross expenditure incurred during the year stood at €4.3 million compared with €3.8 million, or an increase of 13%. This increase is explained by the continuation of research activities geared towards new EOS functionalities and related software applications.

Sales, clinical and marketing

Sales, clinical and marketing (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	1 797	1 814
Trade fairs and exhibitions	542	517
Travel expenses	1 040	866
Payroll	3 662	3 686
Total sales, clinical and marketing	**7 041**	**6 884**

Sales, clinical and marketing expenditure increased 2% during the financial year. This was mainly the result of the increase in the number of conferences in which the Group took part, as well as an increase in travel expenses, resulting from the Group's desire to be present on all its markets.

Regulatory

Regulatory (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	202	257
Travel expenses	16	19
Payroll	410	375
Total regulatory	**627**	**651**

Despite a 9% increase in payroll, regulatory expenses dropped 4% compared with the previous year, where significant expenses were incurred for new applications for regulatory authorizations (Taiwan, Brazil and South Korea).

Administration

Administration (in thousands of euros)	FY closed on 31 December 2015	2014
Purchasing and subcontracting	2 338	1 981
Travel expenses	94	115
Payroll	873	905
Depreciation, amortisation and provisions	275	249
Total administration costs	**3 581**	**3 250**

Administrative costs rose by 10% over the financial year. This increase is due to external purchases (IT costs, sharp increase in insurance due to the development of the Group's activities in the United States, sundry fees).

t. Financial income and expenditure

Financial income and expenditures (in thousands of euros)	FY closed on 31 December 2015	2014
Losses on cash equivalents		
Interest expenses	496	(76)
Exchange gain or loss	120	(73)
Total financial expenses	**617**	**(149)**
Revenue from cash equivalents		29
Price adjustement on OneFit Medical acquisition		750
Exchange gain or loss	97	277
Total financial income	**97**	**1 056**
Total financial income and expenditures	**(520)**	**907**

Interest expenses mainly concern interest on the bond issue as presented in section b. “Significant events”.
The change in financial income is primarily due to the accounting of the €750K from the adjustment Onefit price as at 31 December 2014.
The other line items primarily concern exchange rate differences.

u. Income tax expense

In accordance with current legislation, the Company has the following tax losses:

- indefinitely carried forward in France for a total amount of €45,477K;
- carried forward for 20 years in the United States for an amount of US$18,082K, or a total of €16,608K as at 31 December 2015;
- carried forward from 2015 to 2034 in Canada, a total of CA$2,263K, or a total of €1,497K as at 31 December 2015.

The tax base of the deferred tax asset less temporary differences of the liability were not recognized as assets by precaution, in application of the principles described in section d. “Accounting principles and policies”.

The tax rate applicable to the Company is the rate in force in France, namely 33.33%.

	2015	2014
Consolidated net income of consolidated companies	(7 181)	(5 245)
Effective income tax expense		
Consolidated net profit/loss before taxes, goodwill and minority interests	**(7 181)**	**(5 245)**
Theoretical income tax rate	***33.33%***	***33.33%***
Theoretical income tax expense	(2 394)	(1 748)
Taxation timing differences		
- Other permanent differences:	69	231
- Share-based payments	73	132
- Other non-taxable revenue (Research Tax Credit)	(466)	(394)
- Tax Credit (CICE)	(35)	(36)
- Unused tax losses and temporary differences	2 754	2 066
- Financial income on acquisition		(250)
Effective income tax expenses	-	-
Effective tax rate	***0.00%***	***0.00%***

v. Undertakings

Commitments under operating lease contracts

The Company has a lease contract for its headquarters. The leases run for a period of nine full and consecutive years and the Company only has the option to terminate the leases every three years.
Total lease payments and future expenses are broken down as follows as at 31 December 2015:

EOS imaging SA:

Data in Euros	Total	Payments owed per period		
		1 year at most	More than 1 year but less than 5 years	More than 5 years
Simple leases	€685,453	€314,364	€371,089	-
TOTAL	**€685,453**	**€314,364**	**€371,089**	-

The lease payments recognized as expenditure during the financial year ended 31 December 2015 amounted to €317K.

EOS image Inc:

Data in Euros	Total	Payments owed per period		
		1 year at most	More than 1 year but less than 5 years	More than 5 years
Simple leases	$216,049	$70,941	$145,108	-
TOTAL	**$216,049**	**$70,941**	**$145,108**	-

w. Related parties

The compensation shown below, paid to members of the Company's Board of Directors and Executive Committees, is recognized as expenditure during the reporting periods presented:

	FY closed on 31 December	
(in thousands of euros)	**2015**	**2014**
Compensation and benefits in kind	1 311	1 478
Share-based payments		
Consultancy fees	145	150
Total	**1 456**	**1 628**

The valuation methods for share-based payments are presented in section r. “Share-based payments.

x. Earnings per share

The basic earnings per share are calculated by dividing the net income payable to the Company's shareholders by the weighted average number of common or preference shares in circulation during the financial year.

(in thousands of euros)	FY closed on 31 December 2015	2014
Net income (in thousands euros)	(7 181)	(5 245)
Weighted average number of shares in circulation	18 847 094	18 326 031
Net earnings per share (in euros)	**(0.38)**	**(0.29)**
Weighted average number of potential shares	20 259 726	19 834 497

Instruments giving deferred access to the Company's capital (stock options) are considered to be anti-dilutive, since they imply a reduction in the loss per share. Thus, the diluted earnings per share is identical to the basic earnings per share.

y. Financial risk management

The Company's main financial instruments consist of cash assets. The aim of managing these instruments is to finance the Company's operations. The Company excludes the subscription of financial instruments for speculative purposes. It does not use derivatives.
The main risks to which the Company is exposed are liquidity risk, exchange risk, interest rate and credit risks.

Liquidity risk
Liquidity is held to meet short-term cash commitments rather than for investment or other purposes. It is readily convertible into a known amount of cash and is subject to an insignificant risk of a change in value.

Foreign exchange risk
The purpose of the Company's subsidiaries is to distribute and market the Group's products in the United States, Canada and Germany. Within this framework, they are financed entirely by the parent company, with which they have established service agreements and current accounts.
The main operational exchange rate risks to which the Group is exposed relate to the translation of the accounts of EOS imaging Inc. into US dollars, those of EOS Image Inc. into Canadian dollars and those of EOS imaging Pte into Singapore dollars. This means that the Company is exposed to fluctuations in the euro/US dollar, euro/Canadian dollar and euro/Singapore dollar exchange rates through these subsidiaries.
The effect of changes in exchange rates as at 31 December 2015 has the same impact on the Company's results and equity, as follows:

- a 10% rise in the euro against the Canadian, US and Singapore dollars would have a negative impact on income of €204K;
- a 10% fall in the euro against the Canadian, US and Singapore dollars would have a positive impact on income of €204K.

At this stage in its growth, the Company does not use hedging strategies to protect its activity from fluctuations in exchange rates. On the other hand, it cannot rule out the possibility that a substantial increase in business would increase its exposure to exchange rate risk. In this case, the Company plans to adapt appropriate hedging strategies.

Credit risk

The Company ensures prudent management of its available cash. Liquidity includes cash and cash equivalents and current financial instruments held by the Company (basically term deposits). As at 31 December 2015, the Company's cash and cash equivalents were essentially invested in products maturing in less than 24 months.

In addition, the credit risk related to liquidity and current financial instruments is not significant in view of the credit worthiness of the co-contracting financial institutions.

As a final point, the credit risk with customers is limited, given that a significant fraction of the Company's customers are government bodies or distributors of satisfactory financial size. The risk presented by private customers is also limited, by the financing solutions that the Company generally identifies beforehand with leasing companies.

Interest rate risk

The Company's exposure to interest rate risk primarily concerns liquidities. These mainly consist of term deposits. Changes in interest rates have no impact on the earnings of term deposit accounts, whose return is fixed.

As at 31 December 2015 the Company's financial liabilities were not subject to interest rate risk with respect to the zero-rate loan and the repayable fixed rate advance.

Fair value

The fair value of financial instruments traded on an active market, such as the available-for-sale securities, is based on the market rate as of the closing date. The market prices used for financial assets held by the Company are the market bid prices on the valuation date.

The nominal value, less the provisions for depreciation, of the accounts receivable and current debts is presumed to approximate the fair value of those items.

z. Fees paid to the statutory auditors

Summary table of Statutory Auditors' fees recognized as expenses for the financial year.

In thousands of euros	**31/12/2015**		
	Deloitte	Fi Solutions	Actis
Auditing			
Independent audit, certification & examination of the parent and consolidated statements			
- Eos Imaging SA	55	26	4
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)			
Other investigations and services directly related to the audit engagement			
- Eos Imaging SA	33		
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)			
Sub-total	**88**	**26**	**4**
Other services rendered by partner firms to fully consolidated subsidiaries			
Legal, tax, employment			
Other			
Sub-total			
Total	**88**	**26**	**4**

aa. Subsequent events

BPI repayable advance and debt write-off:

At the meeting of the collaborative projects monitoring committee on 27 January 2016, the members acknowledged partial commercial success for EOS imaging, with a debt write-off of €268,928.

Resignation of a director:

NBGI Private Equity resigned as director on 23 February 2016.

China Food and Drug Administration (CFDA) Approval

The Group received in March 2016 approval from the China Food and Drug Administration (CFDA) to market the EOS system in China

Exclusive llicensing agreement

New partnership with Montreal-based Spinologics to develop a biomechanical simulation software dedicated to spine surgery planning

Partnership with Stryker

Co-promotion agreement with Stryker for the UK market.

6. 2015 PARENT COMPANY FINANCIAL STATEMENTS

1 Parent company financial statements Financial year ended on 31 December 2015

BALANCE SHEET – EQUITY & ASSETS *(In euros)*

	31/12/2015			31/12/2014
	Gross Value	Amort./ Deprec. / Imp.	Net Value	Net Value
Non-current intangible assets	1 706 725	1 340 868	365 857	247 673
Property, plant and equipment	3 167 478	1 875 998	1 291 481	1 197 200
Non-current financial assets	13 244 978	8 715 117	4 529 861	4 548 469
FIXED ASSETS	**18 119 182**	**11 931 983**	**6 187 199**	**5 993 342**
Inventory and work in process	4 683 905	-	4 683 905	2 825 482
Advances and deposits on orders	297	-	297	297
Accounts receivable - Trade	9 941 702	67 500	9 874 202	7 181 764
Other receivables	24 153 683	19 252 844	4 900 839	4 672 336
Cash	12 581 277	-	12 581 277	8 033 887
Prepaid expenses	353 968	-	353 968	220 057
CURRENT ASSETS	**51 714 831**	**19 320 344**	**32 394 488**	**22 933 822**
Issuance costs	279 364	-	279 364	-
Unrealised foreign exchange losses	192 908	-	192 908	51 294
TOTAL ASSETS	**70 306 285**	**31 252 327**	**39 053 958**	**28 978 458**

BALANCE SHEET – LIABILITIES *(In euros)*

	31/12/2015	31/12/2014
Capital	202 420	183 866
Additional paid-in capital	70 570 752	62 037 095
Legal reserve	20 557	20 557
Retained earnings	(47 274 304)	(36 874 115)
Prodit (loss) for the period	**(9 583 484)**	**(10 400 189)**
EQUITY	**13 935 941**	**14 967 213**
Regulated government subsidies	777 022	822 311
EQUITY AND REGULATED GOVERNMENT SUBSIDIES	**14 712 963**	**15 789 524**
Provisions for contengencies	818 833	687 683
PROVISIONS FOR CONTENGENCIES AND LOSSES	**818 833**	**687 683**
Convertible bond	10 000 000	-
Liabilities on non-current assets and related accounts	-	250 000
Various debts	1 626 313	1 525 647
Accounts payable - Trade	5 245 087	4 831 347
Taxes payable, liabilities to personnel and other accrued social liabilities	1 703 817	1 888 349
Other liabilities	718 847	2 029 686
Deferred revenue	858 696	461 478
LIABILITIES	**20 152 760**	**10 986 507**
Unrealised foreign exchange gains	3 369 402	1 514 744
TOTAL LIABILITIES & EQUITY	**39 053 958**	**28 978 458**

PROFIT AND LOSS ACCOUNT *(In euros)*

INCOME STATEMENT	31/12/2015 *12 mois*	31/12/2014 *12 mois*
Sales of goods		
Production sold (goods)	16 028 858	15 957 249
Production sold (services)	1 865 028	1 402 371
Net revenue	**17 893 887**	**17 359 620**
Operating subsidies	652 504	644 425
Reversals of impairment, provisions (and depr. & amort.) ; transf.	566 696	251 339
Other revenue	1 221 855	887 974
OPERATING INCOME	**20 334 942**	**19 143 358**
Purchases and changes in inventory of RM and other supplies	9 534 967	8 531 838
Other purchases and external expenses	6 771 677	5 815 989
Taxes and other contributions	222 142	267 288
Wages and salaries	4 987 672	4 804 093
Employment taxes and social security contribution	2 474 417	2 645 441
Depreciation, amortisation and impairment expense	773 967	799 827
Other expenses	593 966	600 070
OPERATING EXPENSES	**25 358 809**	**23 464 548**
OPERATING INCOME	**(5 023 867)**	**(4 321 190)**
Financial revenue	5 798 793	1 480 946
Financial expenses	11 561 893	8 586 687
NET FINANCIAL INCOME	**(5 763 100)**	**(7 105 741)**
INCOME FROM ORDINARY ACTIVITIES BEFORE INCOME TAXES	**(10 786 967)**	**(11 426 931)**
Extraordinary income	42 145	67 077
Extraordinary expenses	67 642	134 323
NET NON-RECURRING ITEMS	**(25 497)**	**(67 246)**
Corporation tax	(1 228 979)	(1 093 988)
NET RESULT	**(9 583 484)**	**(10 400 189)**

NOTES TO THE FINANCIAL STATEMENTS

a. The Company

Created in 1989, EOS imaging SA develops an innovative imaging medical device for musculoskeletal disorders and orthopaedic treatments, as well as related software applications.

For the purposes of its international development, the Company established the subsidiaries below:

- EOS imaging Inc. in the United States in June 2006;
- EOS image Inc. in Canada in August 2000;
- EOS imaging GmbH in Germany in May 2008;

  EOS imaging Pte Ltd in Singapore in May 2015.

On November 2013 the Company acquired 100% of the shares of OneFit Médical, publisher of knee and hip surgery planning software and manufacturer of patient-specific cutting guides for orthopaedic surgeries.

The Company was listed on the NYSE Euronext regulated market in Paris on 15 February 2012.

The annual financial statements of EOS imaging as at 31 December 2015 were approved by the Board of Directors on 28 April 2016.

b. Significant events of the year

Bond issue

On 9 January 2015, the Company issued the following:

- 60,000 bonds with stock warrants attached (OBSA) with a nominal value of €9 each, representing a total of €540,000. The stock warrants entitle the owners to subscribe to a share at an exercise price of €4.71. They may be exercised in full or in part, on one or more instalments, before 9 January 2022;

- Three tranches of ordinary bonds at a unit price of €1 for a total amount of €14,460,000. The first tranche, for €4,460,000, was subscribed in March 2015. The second tranche, for €5,000,000, was subscribed in December 2015. The last tranche, for €5,000,000, is optional and may be subscribed up till 30 June 2016.

Loans have a four-year term and are remunerated at Euribor plus a 7.75% margin. A fund has undertaken to subscribe to all these shares.

Exercise of 603,449 stock warrants relating to the earn-out on acquisition of OneFit Médical shares

In November 2013, the Company acquired all the shares of OneFit Médical for €4 million. The acquisition memorandum of understanding envisaged an earn- out clause of €1 million, tied to achieving regulatory and revenue objectives, to be paid to the former shareholders of OneFit Médical under the form of a grant of 1,810,347 warrants to subscribe for 172,416 new shares of EOS imaging.

Since the targets were only partially achieved, the €1 million earn-out was reduced to €250K recognized as financial liabilities as at 31 December 2014.

During the first quarter of 2015, former OneFit Médical shareholders exercised the 603,449 stock warrants granted to them for the achievement of these targets and subscribed to 43,102 new shares. The resulting capital increase was recognized in the financial statements for the year ended 31 December 2015.

Creation of a subsidiary in Singapore

On 6 May 2015, the Company created a subsidiary in Singapore, wholly-owned by EOS imaging SA. It has a capital of €47K. No figures were recorded for this subsidiary for the 2015 financial year.

Private placement

On 6 October 2015, EOS imaging placed 1,789,909 new shares of a nominal unit value of €0.01, at a price of €4.85, including the issue premium, for a total of approximately €8.7 million, representing 9.7% of the Company's share capital.

The principle of the operation was authorized on 1 September 2015. The transaction was implemented by a decision of the Board of Directors at its meeting on 5 October 2015 and by a decision of the Chief Executive Officer on 6 October 2015 in accordance with the delegation granted by the Combined Shareholders' Meeting of 17 June 2015.

The capital increase was carried out by issuing common shares with cancellation of preferential subscription rights by private placement to qualified investors in accordance with Article L. 411-2 II of the French Monetary and Financial Code.

At the end of this transaction, the Company's share capital stood at €202,420 and was made up of 20,228,974 common shares fully subscribed and paid up, with a par value each of €0.01 (see Note 11).

c. Accounting principles and policies

General principles

All amounts are shown in euros unless noted otherwise.

Generally accepted accounting principles were used, applying the principle of conservatism and in accordance with the basic assumptions:

- the going concern;
- continuity in accounting methods;
- self-contained accounting periods,

and in accordance with the general rules for drawing up and presenting annual statements.

The basic method used for valuing accounting items is the historical cost method.

Numbers are rounded for the purposes of calculating certain financial data and other information contained in these financial statements. As a result, the totals specified in certain tables may not be the exact sum of the preceding numbers.

The measurement and presentation methods used for this financial year remain the same as those used for the previous year.

Accounting policies

Non- current intangible assets

Software license acquisition costs are posted as assets on the basis of the costs incurred to acquire them and to get the software in question up and running. They are amortized on a straight-line basis over a period of one year.

Costs relating to the filing of currently valid patents, incurred by the Company until they are granted, are posted as intangible assets. They are amortized on a straight-line basis over a period of five years.

Property, plant, and equipment

Items of property, plant and equipment are posted at acquisition cost. Major improvements and refurbishments are capitalized, while repair and maintenance expenses and the cost of other refurbishment work are expensed as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter length of their own useful lives or the length of the lease.

Research and development costs are expensed as incurred. Capitalized costs of production, when they occur, refer to equipment made to perform testing.

The following depreciation periods are used:

- Industrial and lab equipment 3 to 5 years
- Fixtures and fittings 10 years
- Office and computer equipment 3 years
- Office furniture 5 years

Tangible non-current assets are impaired when, owing to events or circumstances occurring during the period, their economic value appears to be lower than their net book value and likely to remain so.

There are no material assets that call for the component approach.

Non-current financial assets

Non-current financial assets consist of the following items:

- Shares in associates;
- Treasury shares;
- Deposit.

Non-current financial assets are recognized at acquisition cost. In the case of an earn-out clause, the gross value of the securities attached to the earn-out, measured at the close of the year, are provisional in nature since at the date the financial statements were issued, the Company adopts the best estimate of the earn-out that will be paid. The earn-out is included on the asset side, offset by a liability on non-current assets.

At closing the value of the securities is compared to their carrying amount. The lower of these two values is carried on the balance sheet. For investments in associates, the carrying amount refers to the use value as determined by the utility that the holding offers the Company; and for treasury shares, to the average traded price during the last month of the period.

The Company has recognized a translation adjustment for receivables from equity stakes in associates, since the receivable on the statement of financial position is repayable in foreign currencies.

Inventory

Finished goods inventories are audited using the weighted average unit cost method.
A provision for inventory impairment loss, if any, is recognized for the difference between the carrying amount and the production value after subtracting selling costs.

Receivables

Receivables are measured at face value. A provision for impairment is recognized on a case by case basis when the economic value is lower than the carrying amount.

Short-term investments

Short term investments appear on the balance sheet at their purchase cost. An impairment loss is recognized for each line of securities of the same nature equal to the difference between their carrying amount and the average stock market price during the previous month or, in the case of unlisted securities, their probable trading value.
Capital gains and losses on disposals are recognized using the FIFO method (first in, first out). Unrealized gains are re-consolidated for tax purposes.

Foreign currency transactions

Income and expense in foreign currencies are recognized at their exchange value on date of the transaction. Liabilities, receivables and cash in foreign currencies appear on the balance sheet at their exchange at the close of the year. The difference resulting from updating liabilities and receivables in foreign currencies at that rate is carried as a "translation adjustment."

If there is no currency hedge, debited translation adjustments (unrealized foreign exchange losses) with no offsetting credit are recognized in provisions for contingencies. Unrealized gains are not recognized, in accordance with the principle of conservatism, but are consolidated later for tax purposes.

Provisions

- Provisions for contingencies and losses:

Provisions are recognized to account for the costs of contingencies and losses in the current period. The Company's policy in terms of provisions for legal claims and disputes is to evaluate, at the close of every fiscal year, the financial risks of each dispute and its possible consequences.

- Warranty provision:

Sales are covered by a warranty period of at least one year. The assessment of the cost of the warranty as well as the likelihood that these costs will be incurred are based on an analysis of historical data. The provision for warranties represents the cost of maintaining systems under warranty, for a maximum one-year warranty period and for the remaining period at the reporting date for all systems sold.

Debt issue expenses

Debt issue expenses are allocated on a straight-line basis over the term of the loans. Debt expenses recognized as expenses are transferred to assets at the end of the period to the "Debt issue expenses" account, from which the expense resulting from the spread is then deducted.

Revenue recognition

The Company’s revenue is generated from the sale of medical imaging equipment, maintenance contracts and related services.
Revenue represents the fair value of the consideration received or receivable for the goods sold in the normal course of the Company’s business activities. Revenue is net of value added tax, product returns, rebates and discounts.

The Company recognizes income once it can be reliably measured, it is likely that the future economic benefits will flow to the Company and that the specific criteria have been satisfied for the Company's business activities.
In the case of equipment sales, revenue is recognized when the contract specifies that ownership and its risks are transferred, which, depending on the case, may be upon shipping, delivery or installation of the equipment.
Equipment sales are covered by a warranty. Only income relating to the warranty period exceeding one year is deferred, and recognized in income in the relevant period, warranties of up to one year not being sold separately from the equipment.

Other operating income

The Company receives, by virtue of its innovative nature, grants and subsidies from the government or local authorities to finance its running costs or the cost of certain new hires. Subsidies are recognized as and when the associated expenses are incurred, independently of when they are actually received.

The Company also charges management fees to its subsidiaries for the sales promotion policy services as well as the administrative services that it provides them.

Income tax

The Research Tax Credit (CIR) as well as the Competitiveness and Employment Tax Credit (CICE) are recognized as a reduction in corporation tax.
The CICE has been used to finance the recruitment expenses of the Company.

Net income from extraordinary items

Extraordinary income and expense consist of items which by their nature, by their usual character or their non-recurrence cannot be considered as inherent to the Company's operating activities.

d. Notes to the balance sheet and income statement

Note1: Table of changes in non-current assets

Changes in gross non-current assets can be shown as follows:

GROSS VALUE	31/12/2014	Acquisitions	Disposals / Subtraction	31/12/2015
Non-current intangible assets				
Software and Patents	1 481 362	154 387		1 635 750
Other non-current assets		70 976		70 976
	1 481 362	**225 363**		**1 706 725**
Property, plant and equipment				
Fixtures and fittings	655 924	38 060		693 985
Industrial equipments and tools	1 542 261	269 309		1 811 570
Computer, office equipment and furnitures	459 296	76 827		536 123
Property, plant and equipment under construction	73 230	52 570		125 800
	2 730 712	**436 767**		**3 167 478**
TOTAL Gross Value	**4 212 074**	**662 130**		**4 874 204**

Changes in amortization can be shown as follows:

IMPAIRMENT	31/12/2014	Appropriations	Decreases	31/12/2015
Non-current intangible assets				
Software and Patents	1 233 690	107 179		1 340 868
	1 233 690	**107 179**		**1 340 868**
Property, plant and equipment				
Fixtures and fittings	348 008	59 549		407 557
Industrial equipments and tools	806 961	227 719		1 034 680
Computer, office equipment and furnitures	378 542	55 219		433 761
	1 533 511	**342 486**		**1 875 998**
TOTAL Amortisation, depreciation and impairment	**2 767 201**	**449 665**		**3 216 866**

Changes in property, plant, and equipment and intangible assets can be shown as follows:

NET VALUE	31/12/2014	Acquisitions	Disposals / Subtraction	31/12/2015
Non-current intangible assets	247 673	118 184		365 857
Property, plant and equipments	1 197 200	94 280		1 291 481
TOTAL Net Value	**1 444 873**	**212 464**		**1 657 338**

The €212K increase in net value of the property, plant, and equipment and intangible assets line primarily concerns R&D equipment for developments made by the Company as well as an increase in patent-related costs.

Note2: Non-current financial assets

Gross Value	31/12/2014	Acquisitions	Disposals / Subtraction	31/12/2015
Investment in associates	4 275 072	47 003		4 322 075
Receivables from associates	7 965 263	729 368	(51 589)	8 643 042
Treasury shares	134 458	212 303	(168 685)	178 076
Deposits and sureties	164 010	16 115	(78 340)	101 785
Total gross value	**12 538 804**	**1 004 789**	**(298 614)**	**13 244 978**

Impairment	31/12/2014	Appropriations	Decreases	31/12/2015
Investment in associates	25 072	47 003		72 075
Receivables from associates	7 965 263	1 618 047	(940 268)	8 643 042
Total Impairment	**7 990 335**	**1 665 050**	**(940 268)**	**8 715 117**
Net financial fixed assets	**4 548 469**			**4 529 861**

As stated in the note on Significant Events, the Company has created a subsidiary in Singapore, with a capital of €47K. The equity interests of this company were impaired at year-end, since it was not yet profit-making.

In accordance with IAS 36, an impairment test is conducted on financial assets each year to verify that their value corresponds at least to their net carrying amount recognized in the Group's balance sheet.

The impairment test of the value of the shares of OneFit was performed according to the Discounted Cash Flow (DCF) method. The revenue used for this estimate was calculated on the basis of:

- sales of consumables and related services (historic business of the acquired company);
- incremental sales of EOS systems expected from the marketing of EOS apps (applications) since 2015.

Thus, as at 31 December 2015, only the shares of OneFit were not impaired and were kept for a net value of €4,250K.

As at 31 December 2015, non-current financial assets consist mainly of receivables from investments in the Company's subsidiaries:

- EOS imaging Inc.: based in the United States, a US company with a share capital of US$1, with its registered office at Suite #410, 185 Alewife Brook Parkway, Cambridge, MA 02138, USA;
- EOS imaging GmbH: based in Germany, EOS imaging GmbH is a company under German law, with share capital of €25,000 and headquartered at Theodor-Stern-Kai 1, 60596 Frankfurt am Main;
- EOS Image Inc.: based in Canada, a company incorporated in view of Part IA of the Quebec Companies Act, with its registered office at 300, Rue du Saint Sacrement, Montreal, Quebec, Canada;
- OneFit Médical: a French simplified joint stock company (SAS) with paid in capital of €115,714 and headquartered at 18 rue Alain Savary, Besançon (25000), registered with the Besançon Trade and Companies Register under the number 534,162,219;

- EOS imaging, Pte Ltd: based in Singapore, EOS imaging Pte Ltd is a company under Asian law, with share capital of S$70,000 and with its registered office at 51 Goldhill Plaza, #21-02/06, Singapore (308900).

As at 31 December 2015 the Company owned 38,867 shares of its own stock as part of a liquidity contract as a result of the purchase of 881,207 shares and the sale of 869,283 shares over the year, creating a net capital loss of €24K for the period.

Table of subsidiaries and associates (in thousands of euros)

Subsidiaries and associates	Subsidiary Name	Capital	Equity other than share capital	Interest held	Comparable value of shares owned		Outstanding loans and advances from the company	Amount of guarantees and endorsements given by the Company	Pre-tax sales for the last FY	Last published net income	Dividends received by the Company during the year
In thousands euros				*(in %)*	***Gross***	***Net***					
Information concerning subsidiaries and associates											
Subsidiaries (over 50% of the share capital owned)											
	EOS Image Inc		(1 696)	100%			2 875		746	(174)	
	EOS Imaging Inc		(16 968)	100%			23 560		9 667	(1 821)	
	EOS Imaging Gmbh	25	(355)	100%	25		1 453		549	(181)	
	OneFit	116	(439)	100%	4 250	4 250	622		1 032	(355)	
	EOS Imaging Pte Ltd	47	(49)	100%	47		8			(48)	

Statement of receivables

Breakdown and ageing of receivables:

		Gross Amount	Due within one year	Over one year
Non-current assets	Receivables from associates	8 643 042		8 643 042
	Loans			
	Other non-current financial assets	101 785		101 785
Current assets	Doubtful and disputed trade receivables			
	Other trade receivables	9 941 702	9 874 202	67 500
	Social security and other social welfare bodies	15 516	15 516	
	Government - Income tax	1 307 430	1 307 430	
	Government - Value Added Tax	1 051 787	1 051 787	
	Group and associates	19 874 583		19 874 583
	Non-trade receivables	1 904 366	1 904 366	
Prepaid expenses		353 968	353 968	
Issuance costs		279 364	85 958	193 406
TOTAL		**43 473 543**	**14 593 226**	**28 880 317**

Impairment table

	Impairment at start of period	Additions: expensed during the period	Subtractions: reversed during the period	Dépréciations à la fin de l'exercice
Non-current intangible assets				
Property, plant and equipment				
Non-current financial assets	7 990 335	1 665 050	(940 268)	8 715 117
Inventory				
Trade receivables	67 500			67 500
Other receivables	14 449 737	9 535 828	(4 732 721)	19 252 844
Short term investments				
TOTAL	**22 507 572**	**11 200 878**	**(5 672 989)**	**28 035 461**
including operating				
including financial		*11 200 878*	*(5 672 989)*	
including non-recurrent items				

The increase of €4,803K in impairments of other receivables corresponds to the impairment adjustment in the level of receivables as at 31 December 2015.

Accrued income

Accrued income breaks down as follows:

	31/12/2015	31/12/2014
Trade receivables		
Uninvoiced sales	96 118	97 836
Taxes payable, liabilities to personnel and other accrued social liabilities		
Government - Accrued income	1 307 430	2 197 309
Other receivables		
Interests on bank term deposits	1 298	30 000
Assets to receive	742 062	100 583
Subsidies to be received	992 976	403 446
TOTAL	**3 139 884**	**2 829 174**

The "Government-Accrued Income" line item corresponds to €1,158K of Research Tax Credit (CIR) accounted for in 2015 as expenses incurred during the financial year.

It also covers the income related to the Competitiveness and Employment Tax Credit (CICE) accounted for in 2015 for €71K as well as the 2014 CICE of €78K that had not been reimbursed on the closing date.

The "Credits from suppliers" line item primarily concerns goods returned.

The “Subsidies to be received” line item corresponds to subsidies received for expenses incurred as at 31 December 2015 and not yet paid on this date.

Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31/12/2015	31/12/2014
Short-term bank deposits	12 397 401	7 782 403
Money market funds (SICAV)	183 876	251 484
Cash and cash equivalents	**12 581 277**	**8 033 887**

During the 2015 financial year, net cash improved by €4.5 million.

Cash and cash equivalents consist largely of current accounts of €9.4 million, a term account in the amount of €3 million, interest due on this account of €1K and short term investments of €184K resulting from the liquidity contract.

Prepaid expenses

Prepaid expenses are all from operations and break down as follows:

PREPAID EXPENSES	31/12/2015	31/12/2014
Purchases of materials and merchandise	46 362	7 532
External costs	307 606	212 525
TOTAL	**353 968**	**220 057**

Statement of liabilities

Breakdown and ageing of liabilities:

		Gross Value	Due within one year	Over 1 year and within 5 years	Over 5 years
Convertible bond		10 100 505			10 100 505
Loans and borrowings from financial	Initially of 1 year or less	156		156	
	Initially of over 1 year				
Various debts and borrowings		1 500 000		1 500 000	
Accounts payable - Trade		5 245 087	5 245 087		
Liabilities to personnel and related accounts		724 557	724 557		
Social security and other social welfare bodies		755 228	755 228		
National and other government bodies	Corporation Tax				
	Value Added Tax	81 670	81 670		
	Secured bonds				
	Other taxes and contributions	142 362	142 362		
Liabilities on non-current assets and related accoun					
Group and associates		25 652	25 652		
Other liabilities		718 847	718 847		
Liabilities representing borrowed securities					
Deferred revenue		858 696	858 696		
TOTAL		**20 152 760**	**8 552 099**	**1 500 156**	**10 100 505**
Borrowing done during the period		10 000 000			
Reimbursment during the period		-			

Borrowings and other financial liabilities consist of a €1.5 million zero-interest loan granted in 2013 by BPI as assistance in developing new functionalities for EOS equipment.

As stated in section b. "Significant events of the year", the amount reported under convertible bonds concerns the first two tranches subscribed during the year, plus interest accrued on this bond issue.

Accrued expenses

Other accrued expenses break down as follows:

	31/12/2015	31/12/2014
Loans and borrowings from financial institutions		
Accrued interests	100 505	
Accounts payable - Trade		
Invoices not yet received	1 209 396	1 501 148
Taxes payable, liabilities to personnel and other accrued social liabilities		
Accrued pay for paid time off and bonuses	724 557	871 608
Other accrued employer contributions	340 152	403 367
Taxes & duties payable	148 137	177 295
Other liabilities		
Customers - assets to be provided		75 000
Royalties	681 012	616 733
TOTAL	**3 203 760**	**3 645 151**

Deferred income

Deferred income breaks down as follows:

DEFERRED INCOME	31/12/2015	31/12/2014
Sales of maintenance	858 696	461 478
TOTAL	**858 696**	**461 478**

Equity

Change in equity

	Share Capital	Additional paid-in capital	Legal Reserve	Retained earnings	Net Result	TOTAL
Equity as of 31/12/14	**183 866**	**62 037 095**	**20 557**	**(36 874 115)**	**(10 400 189)**	**14 967 213**
Appropriation of net income for 2014				(10 400 189)	10 400 189	
Capital increase: options	17 899	8 663 159				8 681 058
Capital increase: free shares		(401 234)				(401 234)
Issue of warrants	655	271 733				272 388
Profit (loss) for FY 2015					(9 583 484)	(9 583 484)
Equity as of 31/12/15	**202 420**	**70 570 752**	**20 557**	**(47 274 304)**	**(9 583 484)**	**13 935 941**

Capital increases

Capital increases result from the following transactions:

- Exercise of 603,449 stock warrants relating to the earn-out on acquisition of OneFit (see Section b. “Significant events”);
- Exercise of 22,396 stock options, resulting in the creation of 22,396 new shares;
- Issue of 1,789,909 new shares (see Section b. “Significant events”).

Make-up of share capital

As at 31 December 2015, the share capital was €202,420. It is divided into 20,241,974 ordinary shares, fully subscribed and paid up, each with a par value of €0.01.

Options

On 8 December 2015, the Board of Directors decided to allocate 181,500 free shares to its employees, 39,500 of which went to employees with an employment contract by a group entity based in the United States.

The main characteristics of the plan are as follows:

- The vesting period of the shares allocated is two years for all beneficiaries;
- The only condition for vesting is the employee's continued employment during this two-year period;
- Beneficiaries with an employment contract with an entity based outside the United States must hold their shares for a two-year period;
- Beneficiaries with an employment contract with an entity based in the United States have no obligation to hold their shares.

The other plans, issued by the Company and outstanding at 31 December 2015 are the following:

Type	Granted date	Strike price	Outstanding as of au 31.12.2015
SO 2009	07/07/2009	1.00 €	470 389
SO 2010	06/07/2010	1.00 €	308 415
SO 2010	20/05/2011	1.00 €	44 625
SO 2012	21/09/2012	4.07 €	273 432
BSA	31/12/2012	4.24 €	40 000
SO 2014	23/05/2014	6.14 €	211 500
Free shares	08/12/2015	- €	181 500
BSA	31/03/2015	4.71 €	120 000
			1 649 861

Provisions for contingencies and losses

	Provisions at start of period	Additions: expensed during the period	Subtractions: reversals utilised	Provisions at close of period
Provisions for warranties	683 583	484 000	(348 750)	818 833
Provisions for unrealised foreign exchange losses	4 099		(4 099)	
TOTAL	**687 683**	**484 000**	**(352 850)**	**818 833**
including operating		*484 000*	*(348 750)*	
including financial			*(4 099)*	
including non-recurrent items				

The change in the provision for warranties in 2015 is tied to the following:

- The revaluation of the maintenance costs of equipment under warranty;
- The increase in the amount of equipment under warranty, given the increase in sales during the financial year.

Regulated government subsidies

In the context of its participation in the Industrial Strategic Innovation project, the Company received a reimbursable advance from OSEO in July 2009, for a maximum of €1,275K.

As at 31 December 2015, payments totaled €822K. They represent the share of the contractual funding of expenses incurred by the Company, which were lower than the forecasts made at the signing date of the program. As such, the commitment under this program was settled in accordance with these expenses.
Reimbursements will be made according to the company's operating profit/loss, i.e. 0.5% of revenue from sales of products from the project, from the year following the year in which the company achieves aggregate sales of €30 million, then 0.75% once aggregate sales reach €50 million. The advance will be considered to have been repaid in full when the total of the payments made discounted at the rate of 4.47% reaches the total amount of the aid received discounted at the same rate. An initial repayment was made in June 2015 for an amount of €45K, bringing the balance of the advance to €777K on the balance sheet.

Related party transactions

	Related companies
Non-current financial assets	12,965,117
Other receivables	19,874,583
Financial income	
Interests	97,773

There are no related party transactions that have not been concluded under normal market conditions.

Revenue breakdown

	2015			2014
	France	*Export*	*Total*	
Sales of manufactured goods	1 920 836	14 108 022	16 028 858	15 957 249
Service revenues	1 283 327	581 701	1 865 028	1 402 371
TOTAL	**3 204 163**	**14 689 723**	**17 893 887**	**17 359 620**

Research and development expenses

The Company continued to develop new functionalities for EOS equipment and related applications. Research and development expenses totaled €3,579K in 2015, against €3,047K in 2014. These costs were expensed in their entirety over the period.

Allowances and reversals of impairments, depreciations and provisions - transfers of expenses

	Provisions at start of period	Additions: expensed during the period	Subtractions: reversals utilised	Provisions at close of period
Impairment	22 507 572	11 200 878	(5 672 989)	28 035 461
Provisions for contengencies and losses	687 683	484 000	(352 850)	818 833
Sub-Total	**23 195 255**	**11 684 878**	**(6 025 839)**	**28 854 294**
Amortisation	2 767 201	449 665		3 216 866
TOTAL	**25 962 455**	**12 134 543**	**(6 025 839)**	**32 071 160**
including operating		*933 665*	*(352 850)*	
including financial		*11 200 878*	*(5 672 989)*	
including non-recurrent items				

Transfers of expenses amounted to €442K as at 31 December 2015 compared with €22K at the end of the previous period. They primarily concerned bond issue expenses of €344K.

Net financial income

	2015	2014
Financial Revenue		
Other receivables related to shares in associates	97 773	37 620
Other interest income	-	31 016
Foreign exchange gain/loss	29 176	5 389
Provision reversal	5 672 989	1 406 921
Sub-Total	***5 799 938***	***1 480 946***
Financial Expenses		
Interest expenses	310 483	38 092
Write-off OneFit Medical	-	600 000
Foreign exchange gain/loss	55 776	72 982
Provision for impairment	11 196 779	7 875 613
Sub-Total	***11 563 038***	***8 586 687***
TOTAL	**(5 763 100)**	**(7 105 742)**

Net non-recurring items

	2015	2014
Extraordinary Income		
Disposal of non-current assets	42 145	67 077
Sub-Total	***42 145***	***67 077***
Extraordinary Expenses		
Disposal of non-current assets	66 142	134 269
Miscellaneous	1 500	*54*
Sub-Total	***67 642***	***134 323***
TOTAL	**(25 497)**	**(67 246)**

Income and expense on the disposal of non-current assets refer to treasury shares.

e. Other information

Unrealized or deferred tax items

At 31 December 2015, total losses carried forward stood at €44,066 thousand and included €3,501 thousand in tax losses for the period.

Average headcount

The average workforce breaks down as follows:

Paid Employees	2015	2014
Executives	74	65
Non-executives	7	9
TOTAL	**81**	**74**

Off-Balance sheet obligations

Write-off

On 31 December 2014, the Company agreed to write off its debt of €600,000 to OneFit. This write-off is coupled with a financial recovery clause defined as the restoration of OneFit's shareholders' equity to a level at least half its share capital. In the event of a financial recovery, OneFit undertakes to reinstate to the credit of the current account of the Company, within six months of the closing date of each statutory accounting period and up to the sum written-off, a sum equal to 20% of its net income in that accounting period as it would appear on line HN of the tax form No. 2053, it being specified that this payment should not decrease its shareholders equity below that of half of its share capital. In the event of an accounting loss, the loss would be carried forward to the following financial years and the reintroduction of the debt would only impact starting in the financial year in which the loss would be allocated and for the fraction of the profit remaining after the deduction of losses.

Retirement bonuses

In accordance with French law, the Company fulfils its obligations to fund the retirement of its personnel in France by making payments to organizations that manage retirement plans, calculated on the wage base. There is no other obligation with respect to these payments.

French law also requires, where appropriate, the one-time payment of a lump sum pension. This payment is set as a function of the individual's seniority and compensation level at the time of retirement. Only employees working at the Company at the time they retire are entitled to this pension.

The payments required by law and contracts are calculated for each person employed by the Company at the close, based on his or her theoretical seniority on the day they retire. The euro amount of the obligation is measured using the projected unit credit method, which is a method that looks backward from the employee's final compensation. The method consists of prorating projected retirement benefits to seniority during the time period when the entitlement was earned.

Calculations of retirement payment commitments are based on the following assumptions:

Valuation date	31/12/2015	31/12/2014
Retirement methods	*For all employees*: voluntary retirement at 65	*For all employees: voluntary retirement at 65*
Payroll tax rate	50%	50%

Discount rate	2.35%	1.80%
Mortality tables	INSEE TD/TV 2009 – 2011	INSEE TD/TV 2008 – 2010
Rate of salary increase (including inflation)	3%	3%
Turnover rate	Average rate of 6.4%, smoothed by age category	Average rate of 6.6%, smoothed by age category

The rights of the Company's employees in France are defined by the following collective bargaining agreements:

- *Accords Nationaux de la Métallurgie* (National Metallurgy Industry Agreements) (executives and non-executives);
- Regional Metallurgy Industry Agreement: Paris region (non-executives only).

As at 31 December 2015 retirement benefit obligations amounted to €277K.

Commitments under operating lease contracts

The Company has a lease contract for its headquarters. The leases run for a period of nine full and consecutive years and the Company only has the option to terminate the leases every three years.

Total lease payments and future expenses are broken down as follows as at 31 December 2015:

Data in Euros	**Total**	**Payments owed per period**		
		1 year at most	**More than 1 year but less than 5 years**	**More than 5 years**
Simple leases	€685,453	€314,364	€371,089	-
TOTAL	**€685,453**	**€314,364**	**€371,089**	-

The lease payments recognized as expenditure during the financial year ended 31 December 2015 amounted to €317K.
To the Company's knowledge there are no other significant off-balance sheet obligations or ones that might become so in the future.

Market risk

Liquidity risk

Liquidity is held to meet short-term cash commitments rather than for investment or other purposes. It is readily convertible into a known amount of cash and is subject to an insignificant risk of a change in value.

Foreign exchange risk

The purpose of the Company's subsidiaries is to distribute and market the Group's products in the United States, Canada, Singapore and Germany. Within this framework, they are financed entirely by the parent company, with which they have established service agreements and current accounts.
The main operational exchange rate risks to which the Group is exposed relate to the translation of the accounts of EOS imaging Inc. into US dollars, those of EOS Image Inc. into Canadian dollars and those of EOS imaging Pte Ltd. into Singapore dollars. This means that the Company is exposed to fluctuations in the euro/US dollar, euro/Canadian dollar and euro/Singapore dollar exchange rates through these subsidiaries.
At this stage in its growth, the Company does not use hedging strategies to protect its activity from fluctuations in exchange rates. On the other hand, it cannot rule out the possibility that a substantial increase in business would increase its exposure to exchange rate risk. In this case, the Company plans to adapt appropriate hedging strategies.

Credit risk
The Company ensures prudent management of its available cash. Liquidity includes cash and cash equivalents and current financial instruments held by the Company (basically term deposits). As at 31 December 2015, the Company's cash and cash equivalents were essentially invested in products maturing in less than 24 months.
In addition, the credit risk related to liquidity and current financial instruments is not significant in view of the credit worthiness of the co-contracting financial institutions.
As a final point, the credit risk with customers is limited, given that a significant fraction of the Company's customers are government bodies or distributors of satisfactory financial size. The risk presented by private customers is also limited, by the financing solutions that the Company generally identifies beforehand with leasing companies.

Interest rate risk
The Company's exposure to interest rate risk primarily concerns liquidities. This largely consists of term deposits. Changes in interest rates have no impact on the earnings of term deposit accounts, whose return is fixed.
As at 31 December 2015 the Company's financial liabilities were not subject to interest rate risk with respect to the zero-rate loan and the repayable fixed rate advance.

Compensation granted to members of the administration and management bodies
Compensation for members of the supervisory and management bodies are not disclosed, because this would require indications of individual compensation.

Fees paid to the statutory auditors
The fees paid to the Statutory Auditors accounted for in the 2015 financial year are €114,000.

In thousands of euros	31/12/2015	
	Deloitte	Fi Solutions
Auditing		
Independent audit, certification & examination of the parent and consolidated statements		
- Eos Imaging SA	55	26
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)		
Other investigations and services directly related to the audit engagement		
- Eos Imaging SA	33	
- Fully consolidated subsidiaries (Eos Imaging Inc, Eos Image Inc, Eos Imaging GmbH, OneFit Medical, Singapour Pte Ltd)		
Sub-total	**88**	**26**
Other services rendered by partner firms to fully consolidated subsidiaries		
Legal, tax, employment		
Other		
Sub-total		
Total	**88**	**26**

Subsequent events

BPI repayable advance and debt write-off:

At the meeting of the collaborative projects monitoring committee on 27 January 2016, the members acknowledged partial commercial success for EOS imaging, with a debt write-off of €268,928.

Resignation of a director:

NBGI Private Equity resigned as director on 23 February 2016.

China Food and Drug Administration (CFDA) Approval

The Group received in March 2016 approval from the China Food and Drug Administration (CFDA) to market the EOS system in China

Exclusive licensing agreement

New partnership with Montreal-based Spinologics to develop a biomechanical simulation software dedicated to spine surgery planning

Partnership with Stryker

Co-promotion agreement with Stryker’s European Spine business for the UK market

7. REPORTS OF THE STATUTORY AUDITORS ON THE STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS

Fi.Solutions
8, rue Bayen
75017 Paris

Deloitte & Associés
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

Rapport des Commissaires aux comptes sur les comptes consolidés

Exercice clos le 31 décembre 2015

Aux actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2015, sur :

- le contrôle des comptes consolidés de la société EOS Imaging, tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- la vérification spécifique prévue par la loi.

Les comptes consolidés ont été arrêtés par le Conseil d'administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I. Opinion sur les comptes consolidés

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes consolidés ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes consolidés. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes consolidés de l'exercice sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du patrimoine, de la situation financière, ainsi que du résultat de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

II. Justification des appréciations

En application des dispositions de l'article L.823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les éléments suivants :

- La note 4.6.1 « Frais de recherche et développement » de l'annexe aux comptes consolidés expose les règles et méthodes comptables relatives à la comptabilisation des frais de développement. Dans le cadre de notre appréciation des principes comptables suivis par votre société, nous avons examiné les modalités de comptabilisation à l'actif des frais de développement ainsi que les hypothèses retenues pour déterminer leur durée d'amortissement et leur valeur recouvrable et nous nous sommes assurés que les notes 6 « Immobilisations incorporelles » et 19.3 « Recherche et développement » de l'annexe aux comptes consolidés fournissent une information appropriée.
- La note 4.13 « Paiements fondés sur des actions » de l'annexe aux comptes consolidés expose les règles et méthodes comptables relatives à l'évaluation et la comptabilisation de plans de rémunération dénoués en instruments de capitaux propres attribués aux salariés et au bénéfice d'administrateurs. Nous avons examiné les hypothèses retenues permettant de déterminer la juste valeur des instruments attribués ainsi que les modalités de comptabilisation et nous nous sommes assurés que les notes 12.3, 17 et 18 de l'annexe aux comptes consolidés fournissent une information appropriée.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes consolidés, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III. Vérification spécifique

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, à la vérification spécifique prévue par la loi des informations relatives au Groupe données dans le rapport de gestion.

Nous n'avons pas d'observation à formuler sur la sincérité et leur concordance avec les comptes consolidés.

Paris et Neuilly-sur-Seine, le 28 avril 2016

Les Commissaires aux comptes

Fi.Solutions	Deloitte & Associés
Jean-Marc PETIT	Géraldine SEGOND

Fi.Solutions
8, rue Bayen
75017 Paris

Deloitte & Associés
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

EOS Imaging

Société Anonyme

10, rue Mercœur
75011 Paris

Rapport des Commissaires aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2015

Aux actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2015, sur :

- le contrôle des comptes annuels de la société EOS Imaging, tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- les vérifications et informations spécifiques prévues par la loi.

Les comptes annuels ont été arrêtés par le Conseil d’administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I. Opinion sur les comptes annuels

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes annuels. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

II. Justification des appréciations

En application des dispositions de l'article L. 823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les éléments suivants : la société évalue annuellement la valeur d'inventaire de ses immobilisations financières et participations selon les modalités décrites dans le paragraphe 3.2.3 « Immobilisations financières » de l'annexe aux comptes annuels. Nous avons, dans le cadre de notre appréciation des règles et principes comptables suivis par votre société, examiné les modalités de mise en œuvre des tests de dépréciation et les hypothèses utilisées, et nous avons vérifié que les notes 2, 3 et 4 du paragraphe 4 « Notes relatives au bilan et au compte de résultat » de l'annexe aux comptes annuels donnent une information appropriée.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes annuels, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III. Vérifications et informations spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par la loi.

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Conseil d'administration et dans les documents adressés aux actionnaires sur la situation financière et les comptes annuels.

Concernant les informations fournies en application des dispositions de l'article L.225-102-1 du Code de commerce sur les rémunérations et avantages versés aux mandataires sociaux ainsi que sur les engagements consentis en leur faveur, nous avons vérifié leur concordance avec les comptes ou avec les données ayant servi à l'établissement de ces comptes et, le cas échéant, avec les éléments recueillis par votre société auprès des sociétés contrôlant votre société ou contrôlées par elle. Sur la base de ces travaux, nous attestons l'exactitude et la sincérité de ces informations.

En application de la loi, nous nous sommes assurés que les diverses informations relatives à l'identité des détenteurs du capital et des droits de vote vous ont été communiquées dans le rapport de gestion.

Paris et Neuilly-sur-Seine, le 28 avril 2016

Les Commissaires aux comptes

Fi.Solutions	Deloitte & Associés
Jean-Marc PETIT	Géraldine SEGOND

8. REPORT OF THE STATUTORY AUDITORS ON THE CORPORATE SOCIAL RESPONSIBILITY

EOS Imaging

Société Anonyme

10, rue Mercoeur
75011 Paris

Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur les informations sociales, environnementales et sociétales consolidées figurant dans le rapport de gestion

Exercice clos le 31 décembre 2015

EOS Imaging

Société Anonyme

10, rue Mercoeur
75011 Paris

Rapport de l'un des commissaires aux comptes, désigné organisme tiers indépendant, sur les informations sociales, environnementales et sociétales consolidées figurant dans le rapport de gestion

Exercice clos le 31 décembre 2015

Aux actionnaires,

En notre qualité de commissaire aux comptes de la société EOS imaging désigné organisme tiers indépendant, accrédité par le COFRAC sous le numéro 3-1048[1], nous vous présentons notre rapport sur les informations sociales, environnementales et sociétales consolidées relatives à l'exercice clos le 31 décembre 2015 (ci-après les « Informations RSE »), présentées dans le rapport de gestion inclus au document de référence en application des dispositions de l'article L.225-102-1 du code de commerce.

Responsabilité de la société

Il appartient au Conseil d'administration d'établir un rapport de gestion comprenant les Informations RSE prévues à l'article R.225-105-1 du code de commerce, préparées conformément à la note méthodologique établie par la société, (ci-après le « Référentiel ») qui figure dans le rapport de gestion et disponible sur demande au siège de la société.

Indépendance et contrôle qualité

Notre indépendance est définie par les textes réglementaires, le code de déontologie de la profession ainsi que les dispositions prévues à l'article L.822-11 du code de commerce. Par ailleurs, nous avons mis en place un système de contrôle qualité qui comprend des politiques et des procédures documentées visant à assurer le respect des règles déontologiques, des normes d'exercice professionnel et des textes légaux et réglementaires applicables.

[1] dont la portée est disponible sur le site www.cofrac.fr

Responsabilité du commissaire aux comptes

Il nous appartient, sur la base de nos travaux :

- d'attester que les Informations RSE requises sont présentes dans le rapport de gestion ou font l'objet, en cas d'omission, d'une explication en application du troisième alinéa de l'article R.225-105 du code de commerce (Attestation de présence des Informations RSE) ;
- d'exprimer une conclusion d'assurance modérée sur le fait que les Informations RSE, prises dans leur ensemble, sont présentées, dans tous leurs aspects significatifs, de manière sincère conformément au Référentiel (Avis motivé sur la sincérité des Informations RSE).

Nos travaux ont été effectués par une équipe de quatre personnes entre mars et avril 2015 pour une durée d'environ une semaine. Nous avons fait appel, pour nous assister dans la réalisation de nos travaux, à nos experts en matière de RSE.

Nous avons conduit les travaux décrits ci-après conformément aux normes d'exercice professionnel applicables en France, et à l'arrêté du 13 mai 2013 déterminant les modalités dans lesquelles l'organisme tiers indépendant conduit sa mission et, concernant l'avis motivé de sincérité, à la norme internationale ISAE 3000[2].

1. Attestation de présence des Informations RSE

- ***Nature et étendue des travaux***

Nous avons pris connaissance, sur la base d'entretiens avec les responsables des directions concernées, de l'exposé des orientations en matière de développement durable, en fonction des conséquences sociales et environnementales liées à l'activité de la société et de ses engagements sociétaux et, le cas échéant, des actions ou programmes qui en découlent.

Nous avons comparé les Informations RSE présentées dans le rapport de gestion avec la liste prévue par l'article R.225-105-1 du code de commerce.

En cas d'absence de certaines informations consolidées, nous avons vérifié que des explications étaient fournies conformément aux dispositions de l'article R.225-105 alinéa 3 du code de commerce.

Nous avons vérifié que les Informations RSE couvraient le périmètre consolidé, à savoir la société ainsi que ses filiales au sens de l'article L.233-1 et les sociétés qu'elle contrôle au sens de l'article L.233-3 du code de commerce avec les limites précisées dans la note méthodologique présentée au paragraphe 1 du chapitre RSE du rapport de gestion.

- ***Conclusion***

Sur la base de ces travaux et compte tenu des limites mentionnées ci-dessus, nous attestons de la présence dans le rapport de gestion des Informations RSE requises.

---

[2] **ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information***

2. Avis motivé sur la sincérité des Informations RSE

- ***Nature et étendue des travaux***

Nous avons mené trois entretiens avec les personnes responsables de la préparation des Informations RSE auprès des directions en charge des processus de collecte des informations et, le cas échéant, responsables des procédures de contrôle interne et de gestion des risques, afin :

- d'apprécier le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible, en prenant en considération, le cas échéant, les bonnes pratiques du secteur ;
- de vérifier la mise en place d'un processus de collecte, de compilation, de traitement et de contrôle visant à l'exhaustivité et à la cohérence des Informations RSE et prendre connaissance des procédures de contrôle interne et de gestion des risques relatives à l'élaboration des Informations RSE.

Nous avons déterminé la nature et l'étendue de nos tests et contrôles en fonction de la nature et de l'importance des Informations RSE au regard des caractéristiques de la société, des enjeux sociaux et environnementaux de ses activités, de ses orientations en matière de développement durable et des bonnes pratiques sectorielles.

Pour les informations RSE que nous avons considérées les plus importantes[3] :

- au niveau de l'entité consolidante, nous avons consulté les sources documentaires et mené des entretiens pour corroborer les informations qualitatives (organisation, politiques, actions), nous avons mis en œuvre des procédures analytiques sur les informations quantitatives et vérifié, sur la base de sondages, les calculs ainsi que la consolidation des données et nous avons vérifié leur cohérence et leur concordance avec les autres informations figurant dans le rapport de gestion ;
- au niveau d'entités que nous avons sélectionnées[4] en fonction de leur activité, de leur contribution aux indicateurs consolidés, de leur implantation et d'une analyse de risque, nous avons mené des entretiens pour vérifier la correcte application des procédures et mis en œuvre des tests de détail sur la base d'échantillonnages, consistant à vérifier les calculs effectués et à rapprocher les données des pièces justificatives. L'échantillon ainsi sélectionné représente 84,5% des effectifs.

---

[3] **Informations quantitatives sociales :** Effectif moyen du Groupe au 31/12/2015 ; Pyramide des âges de l'effectif au 31/12/2015 d'EOS Groupe ; Recrutements 2015 en CDD/CDI d'EOS Groupe ; Départs 2015 selon les motifs suivants : retraites/préretraites, démissions, licenciements, ruptures conventionnelles, ruptures de périodes d'essai, fins de CDD ; Taux d'absentéisme total et par motif : maladie, accident de travail et de trajet, maternité-paternité-adoption, absences rémunérées (évènements familiaux), absences non rémunérées (congés sans solde, congés parentaux) ; Part des femmes dans le comité de direction et dans le personnel cadre au 31.12.2015 ; Nombre d'heures de formation total et par catégories : cadres et techniciens ; Nombre d'accidents de travail avec et sans arrêt ; Nombre d'accidents de trajet avec et sans arrêt ; Nombre de jours d'arrêt dus à un accident de travail ; Nombre de jours d'arrêt dus à un accident de trajet ; Nombre de maladies professionnelles déclarées dans l'année.
Information quantitative environnementale : Emissions de CO_2 liées aux déplacements en train et en avion des collaborateurs EOS France.
Information quantitative sociétale : Part que représentent les achats et la sous-traitance par rapport au chiffre d'affaires.
Informations qualitatives : Informations sociales : mise en place d'un CHSCT ; établissement du plan de formation. Informations environnementales : présentation de la veille réglementaire. Informations sociétales : dialogue avec les parties prenantes ; gestion de la relation avec les autorités ; démarche d'audit de la conformité des fournisseurs vis-à-vis des réglementations environnementales ; politique de matériovigilance.

[4] **EOS imaging SA et OneFit Medical SAS (activités du Groupe en France).**

Pour les autres informations RSE consolidées, nous avons apprécié leur cohérence par rapport à notre connaissance de la société.

Enfin, nous avons apprécié la pertinence des explications relatives, le cas échéant, à l'absence totale ou partielle de certaines informations.

Nous estimons que les méthodes d'échantillonnage et tailles d'échantillons que nous avons retenues en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus. Du fait du recours à l'utilisation de techniques d'échantillonnage ainsi que des autres limites inhérentes au fonctionnement de tout système d'information et de contrôle interne, le risque de non-détection d'une anomalie significative dans les Informations RSE ne peut être totalement éliminé.

Conclusion

Sur la base de nos travaux, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que les Informations RSE, prises dans leur ensemble, sont présentées, de manière sincère, conformément au Référentiel.

Neuilly-sur-Seine, le 28 avril 2016

L'un des commissaires aux comptes,
Deloitte & Associés

Géraldine Segond
Associée

Julien Rivals
Associé, Développement Durable