

PRESS RELEASE

EOS imaging Reports First-half 2016 Results

Strong revenue growth of 39% to €14.1 million

Reduced operating loss by 31% to €1.7 million

Cash position: €14.4 million at June 30, 2016

Paris, September 8, 2016 – EOS imaging (Euronext, FR0011191766 – EOSI - Eligible for PEA-PME savings schemes in France), the pioneer in 2D/3D orthopedic medical imaging, announced today consolidated results for the six months ended June 30, 2016, as approved by the Board of Directors on September 8, 2016.

<i>In millions of euros</i>	First-half 2016	First-half 2015
Operating income		
Revenue	14,1	10,2
Other income	1,17	0,96
Total income	15,3	11,2
Operating expenses		
Direct cost of sales	-7,64	-5,19
Gross margin	6,51	5,01
<i>as a % of revenues</i>	<i>46,0%</i>	<i>49,1%</i>
Indirect cost of production and services	-1,71	-1,47
Research & development	-1,78	-1,71
Sales & marketing	-3,62	-3,08
Regulatory expenses	-0,35	-0,36
Administrative costs	-1,70	-1,74
Total operating expenses (excluding direct cost of sales and share-based payments)	-9,17	-8,36
Share-based payments	-0,24	-0,11
Total operating expenses	-17,04	-13,66
Net operating income/(loss)	-1,73	-2,51
Financial Income	-0,67	-0,11
Net income/(loss)	-2,40	-2,62

▪ **Strong sales growth in the first half of 2016: up 39% to €14.1 million**

The Company sold 28 EOS® systems during the first half of the year, as compared to 20 during the same period last year. Revenues from sales of equipment totalled €11.45 million, an increase of 35%.

Sales of maintenance contracts increased 68% to €2.22 million, reflecting the continued increase in the installed base of EOS systems under contract.

Sales of consumables and services were €0.46 million in the first half of 2016, an increase of 23%.

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The Company also recorded €1.17 million in other income consisting of public financing in support of its innovation (research tax credit and subsidies).

- **Gross margin: €6.5 million representing 46% of revenues**

Gross margin for the first half of 2016 was 46% of revenues, as compared to 49% during the same period last year. This reflects a lower average selling price of equipment as compared to the first half of 2015.

- **Controlled increase in operating expenses**

Operating expenses, excluding the direct cost of sales and share-based payments, were €9.17 million in the first half of 2016, up from €8.36 million in the first half of the previous year, representing an increase of 10%. This compares favorably to the 39% growth in revenue during the first half of 2016.

Sales & marketing expenses increased 18% in the first half of 2016, reflecting increased resources to support business growth. The 16% increase in indirect costs of production and services reflects the investments in support functions (quality and supply chain). The trend for other operating expenses (-3% to +4%) reflects controlled utilization of resources to support business growth.

Including the impact of share-based payments, the Company's operating loss was €1.73 million in the first half of 2016, representing a reduction of the operating loss of 31% compared to an operating loss of €2.51 million in the same period last year.

The Company's net loss for the six months ended June 30, 2016 was €2.40 million, compared with €2.62 million in the same period of 2015.

The Company had 128 employees as of June 30, 2016, compared with 122 employees as of December 31, 2015.

- **Cash position and balance sheet**

The Company's net cash position at June 30, 2016 was €14.4 million, compared with €14.1 million at December 31, 2015. Cash burn from operations was €3.6 million, with the increase in the working capital requirement limited to €2.1 million. A third and last €5.0 million tranche of convertible bonds was subscribed in June 2016 to support the execution of growth.

Equity at June 30, 2016 was €25.5 million compared with €27.8 million at December 31, 2015 as a result of the loss posted for the first half of 2016.

- **Half-year financial report**

EOS imaging's half-year financial report can be downloaded from its web site at www.eos-imaging.com by selecting Documentation, then Financial reports from the Investors menu.

Marie Meynadier, CEO of EOS imaging, commented: *"The first half of 2016 was highlighted by excellent sales momentum and the establishment of strategic and technology partnerships that we expect to drive our business. We are executing on our growth and innovation strategy while maintaining a strong focus on cost control, which is reflected in the significant improvement in our half-year financial results. We are committed to continuing in this direction as we work to position the EOS platform as a standard of care that combines accurate and low-dose imaging and patient-specific surgical planning for a growing number of patients around the world."*

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For more information, please visit www.eos-imaging.com.

About EOS imaging

EOS imaging designs, develops, and markets EOS[®], an innovative medical imaging system dedicated to osteoarticular pathologies and orthopaedics, as well as associated solutions. The Company is authorized to market in 51 countries, including the United States (FDA), Japan, China and the European Union (EC). The Group posted 2015 revenues of €21.8 million and employs 122 people. The Group is based in Paris and has five subsidiaries in Besançon (France), Cambridge (Massachusetts), Montreal (Canada), Frankfurt (Germany) and Singapore.

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

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



Next press release: 2016 Third-quarter sales: Thursday October 27, 2016 (after market close)

Contacts:

EOS imaging

Anne Renevot
CFO
Ph: +33 (0)1 55 25 61 24
investors@eos-imaging.com

NewCap

Communication Financière et Relations investisseurs
Valentine Brouchet
Ph: +33 (0)1 44 71 94 96
eosimaging@newcap.eu

Relations presse

Annie-Florence Loyer
Ph: +33 (0)1 44 71 00 12/ +33 (6) 88 20 35 59
afloyer@newcap.fr

Daphné Boccara

Ph: +33 (0)1 44 71 94 93
dboccara@newcap.fr

The Ruth Group (US)

Relations presse / Joanna Zimmerman
Ph: 646-536-7006
jzimmerman@theruthgroup.com