

COMMUNIQUE DE PRESSE

EOS imaging REPORTS FIRST HALF 2017 FINANCIAL RESULTS

16% sales growth driven by positive momentum in EMEA and APAC regions

New North America leadership and organizational structure to rapidly improve Company's performance in this key market

Improving equity and cash positions

Paris, September 7, 2017 – 6pm (CEST) – EOS imaging (Euronext, FR0011191766 – EOSI - Eligible PEA - SME), the pioneer in 2D/3D orthopedic medical imaging, today announced its consolidated results for the six months ended June 30, 2017, as stated by the Board of Directors on September 7, 2017.

First Half 2017 Financial Results

<i>in millions euros</i>	First Half 2017	First Half 2016
Sales	16,46	14,14
Other Income	0,82	1,17
Total Income	17,28	15,31
Direct COGS	(9,03)	(7,63)
Gross Margin	8,25	7,68
<i>as % of sales</i>	<i>45,1%</i>	<i>46,0%</i>
Operating expenses	(10,91)	(9,41)
Operating Income	(2,66)	(1,73)
Financial Income	(1,06)	(0,67)
Net Income	(3,72)	(2,40)
	As of June 30, 2017	As of Dec. 31, 2016
Cash	17,6	14,9

Marie Meynadier, Chief Executive Officer of EOS imaging, commented: *"Our performance in the first half of 2017 included strong revenue growth in the EMEA and APAC regions, partially offset by lower sales in North America where we were implementing a new, reinforced organizational structure. This impacted our operational and financial performance, despite the improvement in production and maintenance efficiency. EOS imaging solutions are increasingly recognised as a standard of care, as evidenced by nearly one million patients each year that benefit from a low-dose EOS scan and comprehensive imaging results, along with the physicians and healthcare systems that benefit from the platform's innovative and effective solutions. Given this positive position in the market, we decided to accelerate our growth initiatives in the United States, our most important market and a priority for our company.*

We are confident in a rapid return to growth in North America, under the leadership of Mike Lobinsky, who we recently appointed as President of the region.

Our initiatives in North America, combined with the positive business dynamics in the rest of the world, and with our investments in our product offering, should strongly improve our performance in the short and medium terms."

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□ **First Half 2017 Sales Growth: +16%**

In the first half of 2017, the Company generated revenue of €16.5 million, up 16% compared to the first half of 2016. The Company sold 34 EOS® systems during the first half of the year, compared to 28 systems in the same period last year. Sales of maintenance contracts increased by 28% to €2.84 million, reflecting the continued growth of the installed base of EOS systems under contract.

The increase in revenues over the first half of 2017 was driven by strong sales in the EMEA and APAC regions, partially offset by lower sales in North America, related to an operational reorganization.

□ **First Half 2017 Gross Margin: €8.3 million representing 45.1% of Revenues**

Gross margin for the first half of 2017 was 45.1% of revenues, as compared to 46.0% during the same period last year. This reflects lower sales in North America, which represented approximately 35% of revenues in the period, as compared 54% of revenues in the first half of 2016. This was partially offset by improved manufacturing costs and maintenance in the first half of 2017 compared to the same period last year.

□ **Controlled Increase of Operating Expenses**

Operating expenses for the first half of 2017 totaled €10.9 million, up 16% compared to the same period last year and in-line with the Company's revenue growth in the period. These expenses are slightly below their level in the second half of 2016.

Operating loss for the first half of 2017 was €2.7 million, compared with an operating loss of €1.7 million in the same period last year (and of €2.8 million in the second half of 2016). This reflects the decrease in gross margin and a one-time decline in other income (CIR and subsidies).

Net financial expense for the first half of 2017 totaled €1.1 million, compared to €0.7 million in the same period last year, reflecting interest expense on the Company's €15 million debt financing, the last tranche of which was drawn in June 2016.

Net loss for the first half of 2016 was €3.7 million, compared with a net loss of €2.4 million in the same period last year (and €2.8 million in the second half of 2016).

The Company had 152 employees at June 30, 2017, compared with 132 at December 31, 2016.

□ **Cash Position and Balance Sheet: Improving Equity and Cash Positions**

The Company's cash position at June 30, 2017 was €17.6 million, compared with €14.9 million at December 31, 2016. Equity at June 30, 2017 was €27.3 million, compared with €22.8 million at December 31, 2016. This includes 2,204,844 new shares issued primarily in a private placement completed in April 2017 but coming also from the Equity Line Société Générale and from the exercise of options.

□ **First Half of 2017 Financial Report**

EOS imaging's first half of 2017 financial report can be downloaded from its web site at www.eos-imaging.com by selecting Documentation, then Financial reports from the Investors menu.

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

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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 markets in Paris.

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



About EOS imaging

EOS imaging designs, develops, and markets EOS®, an innovative medical imaging system dedicated to osteo-articular pathologies and orthopaedics, as well as associated solutions. The Company is authorized to market in 51 countries, including the United States (FDA), Japan and the European Union (EC). The Group posted 2016 revenues of €30.8 million and employed 132 people at December 2016, including an R&D team of 43 engineers. The Group is based in Paris and has five subsidiaries in Besançon (France), Cambridge (Massachusetts), Montreal (Canada), Frankfurt (Germany) and Singapore.

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