

PRESS RELEASE

EOS imaging Reports Third Quarter and Nine-Months 2019 Revenues

Strong restart in equipment billing and solid momentum in EOS® system orders

Paris, October 10, 2019, 18h00 CET – EOS imaging (Euronext, FR0011191766 – EOSI) a leader in 2D/3D orthopedic medical imaging and software solutions for 3D anatomical modeling and surgical planning today announces unaudited third quarter revenues ending September 30, 2019.

- **€12.3 million total revenues** generated over the first 9-months of 2019 including forex impact¹
 - €4.3m of equipment revenue boosted by the restart of system invoicing in the 3rd quarter
 - €8.0m of recurring revenues, +25% growth compared to 2018
- **€18.6 million equipment orders** recorded over the first 9-months of 2019
 - €5.8m equipment orders recorded over Q3 2019
 - The Order Book value as of September 30, 2019 reached €14.4m, resulting from the €18.6m of equipment orders less the €4.3m of equipment sales delivered since the beginning of the year
- **+4.4% increase in commercial performance² over 2019 YTD** (equipment orders + recurring revenues)
 - Driven by +24% growth in EMEA and +13% in North America
 - Partially offset by APAC and LATAM regions facing high 2018 comparable bases

Mike Lobinsky, CEO of EOS imaging, commented: “As of September 30, 2019, EOS imaging delivered a second consecutive quarter of growth compared to 2018. Over the third quarter, we achieved +6% increase in equipment orders, which in addition to the growth in recurring revenues, brings the commercial performance to +8% compared to previous year. In addition, we started to realize the benefits of our commercial cycle. Sales recordings are gradually restarting, as anticipated, and are expected to reach a normalized level across all regions in H1 2020. As EOS imaging is entering what is traditionally the best quarter of the year, we are confident in delivering a solid full year performance.”

In order to better meet customer expectations and improve its working capital, EOS imaging made a change in its commercial cycle at the beginning of 2019 by organizing the delivery of EOS® systems at the start of the installation phase, and no longer at the receipt of the equipment order. This evolution has created a transition period during which (i) new received orders build an order book and (ii) sales are recorded according to the pace of delivery of the EOS® systems. As installations usually take place 3 to 12 months after the order, a similar lag is expected on deliveries. While 2019 revenues are temporarily impacted by the transition phase, this evolution leads to improvements in production and logistics management, and contribute to the reduction of working capital.

¹ €0.24m positive forex impact over 9-months 2019

² Commercial performance: Comparable indicator to previous years commercial model, resulting from the addition of recurring sales and equipment orders in the period (or equally, from the addition of total sales and equipment order book variance vs. previous period)

PRESS RELEASE

▪ **€18.64 million of Equipment Orders booked over 9-months 2019**

EOS imaging booked 44 equipment orders, representing a total value of €18.64 million in the first 9-months of 2019, to be compared to €19.10 million in 2018. The Company experienced a positive trend on EMEA (+29.3%) and NAM (+6.5%), partially offset by high 2018 comparison bases in:

- APAC, as the solid Q3 2019 performance in the area did not catch up on the high H1 2018 base. 75% of FY 2018 APAC equipment orders were registered in H1 2018, following the multiple EOS® systems order from a clinic chain in Australia and market entry into India
- LATAM, as a significant spot sale was concluded in 2018

Over the first 9-months of 2019, global ASP, excluding LATAM spot sale, increased by +4%, driven by strong pricing in NAM.

Equipment Orders <i>Non-audited / € million / As of September 30</i>	9-Months 2019	9-Months 2018
EMEA	6.34	4.90
APAC	3.62	5.34
NAM	8.68	8.15
LATAM	-	0.71
TOTAL EQUIPMENT ORDERS	18.64	19.10

▪ **First 9-months revenues reflecting gradual restarting of EOS® systems billing**

EOS imaging generated sales revenue of €12.27 million over the first 9-months of 2019, of which:

- €4.28 million of equipment sales, including €3.51 million of sales recorded in Q3 2019;
- €8.0 million of recurring revenues, i.e. +24.7% growth compared to 2018, driven by maintenance revenues of €7.16 million, continuously fueled by the growing installed base.

Since the beginning of the year, EOS imaging delivered 11 EOS® systems from 2019 orders. As anticipated, Q3 2019 marked the gradual restart of equipment billing, temporarily halted in H1 2019 following the change in the commercial cycle in January 2019.

As of September 30, 2019, Equipment Order Book amounted to €14.36 million, resulting from the YTD 2019 Equipment orders (€18.64m) less the YTD Equipment sales (€4.28m). Commercial performance³ over the first 9-months of the year reached €26.63 million compared to €25.51m in 2018, representing a +4.4% increase.

³ Commercial performance: Comparable indicator to previous years commercial model, resulting from the addition of recurring sales and equipment orders in the period (or equally, from the addition of total sales and equipment order book variance vs. previous period)

PRESS RELEASE

Revenues by Product Lines <i>Non-audited / Including forex impact⁴ / € million As of September 30</i>	9-Months 2019	9-Months 2018
Equipments	4.28	19.10
Maintenance contracts	7.16	5.76
Consumables and services	0.83	0.65
TOTAL REVENUES	12.27	25.51
Equipment Order Book at end September ⁵	14.36	-
Comparable Commercial Performance ⁶	26.63	25.51

Revenues by Geographies <i>Non-audited / Including forex impact³ / € million As of September 30</i>	9-Months 2019	9-Months 2018
EMEA	6.60	8.19
APAC	1.29	5.75
NAM	4.39	10.86
LATAM	-	0.71
TOTAL REVENUES	12.27	25.51

▪ **+5.9% growth in Equipment Orders reaching €5.82 million over Q3 2019**

EOS imaging reported 14 new equipment orders over Q3 2019 (vs. 12 in Q3 2018), representing a total value of €5.82 million, up to +5.9% compared to Q3 2018.

This good commercial momentum was driven by EMEA and APAC. Noticably, the Company booked two new orders from prestigious accounts in the Netherlands. The activity in NAM was slightly impacted by the strong order booking in Q2 2019 (+52% vs. Q2 2018).

Equipment Orders <i>Non-audited / € million / As of September 30</i>	Q3 2019	Q3 2018
EMEA	1.55	0.81
APAC	1.82	1.13
NAM	2.45	2.85
LATAM	-	0.71
TOTAL EQUIPMENT ORDERS	5.82	5.50

⁴ Including a €0.24m positive forex impact over 9-months 2019

⁵ Equipment Order Book: YTD Equipment orders (€18.64m) less YTD Equipment sales (€4.28m)

⁶ Commercial performance: Comparable indicator to previous years commercial model, resulting from the addition of recurring sales and equipment orders in the period (or equally, from the addition of total sales and equipment order book variance vs. previous period)

PRESS RELEASE

▪ **€6.27m revenue generated over Q3 2019 marking the restart of equipment billing**

EOS imaging generated total revenue of €6.27 million over Q3 2019, of which:

- €3.51 million of equipment revenue from the sales of 9 EOS® systems delivered during the quarter
- €2.76 million of recurring revenue, including €2.50 million in maintenance revenue and €0.26 million in consumables and services

This significant improvement in reported equipment sales versus H1 2019 is linked to the maturity of the order book, which has been built since January 2019. The commercial cycle being shorter in EMEA, Q3 sales reached €3.68m in the region, representing +92.4% vs. a low sales quarter in 2018, close to a normalized level.

Commercial performance⁸ over Q3 2019 reached €8.57 million compared to €7.97 million in 2018, representing a +7.7% increase.

Revenues by Product Lines <i>Non-audited / Including forex impact⁷ / € million As of September June 30</i>	Q3 2019	Q3 2018
Equipments	3.51	5.50
Maintenance contracts	2.50	2.30
Consumables and services	0.26	0.17
TOTAL REVENUES	6.27	7.97
Comparable Commercial Performance ⁸	8.57	7.97

Revenues by Geographies <i>Non-audited / Including forex impact⁵ / € million As of September 30</i>	Q3 2019	Q3 2018
EMEA	3.68	1.91
APAC	0.93	1.31
NAM	1.65	4.03
LATAM	-	0.71
TOTAL REVENUES	6.27	7.97

⁷ Including a €0.08m positive forex impact over Q3 2019

⁸ Commercial performance: Comparable indicator to previous years commercial model, resulting from the addition of recurring sales and equipment orders in the period (or equally, from the addition of total sales and equipment order book variance vs. previous period)

PRESS RELEASE

▪ 9-months sales webcast on October 10, 2019

EOS imaging will hold a conference call for financial analysts following the release of revenues for the first 9-months of 2019 on October 10, 2019. The presentation commented during the webcast will be available on EOS website.

ABOUT EOS imaging

EOS imaging is a global medical device company that designs, develops and markets innovative, low dose 2D/3D full body and weight-bearing imaging, rapid 3D modeling of patient X-ray images, webbased patient-specific surgical planning, and integration of surgical plan into the operating room that collectively bridge the entire spectrum of care from imaging to orthopedic surgery.

With a primary focus on spine, hips and knees EOS imaging is targeting a \$2 billion annual market opportunity. EOS imaging has over 300 system installations in more than 30 countries generating more than 1 million patient exams annually. In FY 2018, the company reported revenue of €35.4 million. EOS imaging has corporate locations in U.S., France, Canada, Germany, and Singapore, and counts more than 175 employees. For additional information, please visit www.eos-imaging.com.

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

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



Next press release on January 8, 2020: Full-year and Q4 2019 revenues

CONTACTS

EOS imaging

Valérie Worrall
CFO
Ph: (+33) 1 55 25 60 60
investors@eos-imaging.com

Investor Relations (US)

Tram Bui / Emma Poalillo
The Ruth Group
Ph: (+1) 646-536-7035 / 7024
EOS-imagingIR@theruthgroup.com

Press Relations (US)

Kirsten Thomas
The Ruth Group
Ph: (+1) 508-280-6592
kthomas@theruthgroup.com