

## EOS IMAGING REPORTS STRONG REVENUE GROWTH FOR HALF YEAR 2020

- *H1 2020 revenues of €11.0m (+84%), thanks to increased equipment sales and continued maintenance revenue momentum*
- *EOSedge™, the next generation of EOS imaging equipment, represents 60% of H1 2020 equipment orders, and drives the improvement in average selling prices*
- *Recurring revenues up 19% compared to H1 2019 driven by an increasing install base and high subscription rate of customers purchasing service agreements*
- *The health crisis associated with COVID-19 impacts Q2 2020 equipment orders*

Paris, July 21, 2020, 5:45 pm CEST – EOS imaging (Euronext, FR0011191766 - EOSI - PEA-PME eligible), a leader in 2D/3D orthopedic medical imaging and software solutions for 3D anatomical modeling and surgical planning, today announces preliminary consolidated revenues for the half year ending June 30, 2020.

### SECOND QUARTER & FIRST SEMESTER 2020 HIGHLIGHTS

- **€11.0 million total revenues (+84%) generated in the first half of 2020**
  - **€4.8m in revenues resulting from the billing of 12 systems in H1 2020**, including 10 in Q2 2020, vs. €0.8m in H1 2019 (which had been impacted by the implementation of a new commercial cycle)<sup>1</sup>
  - **€6.2m in recurring revenues**, up +19% compared with H1 2019, thanks to the continued growth in maintenance activity (+24%)
- **€5.0m of equipment orders booked in H1 2020**, vs. €12.8m in H1 2019, a decrease associated with the COVID-19 pandemic
- **Order book of €13.7m at June 30, 2020** vs. €14.4m at December 31, 2019
- **Cash position of €9.9m at June 30, 2020** vs. €8.2m at December 31, 2019
- **Growing adoption of EOSedge™ and first installation in Germany**
- **Newly published best practice guidelines for bracing Adolescent Idiopathic Scoliosis (AIS)<sup>2</sup> support EOS**

<sup>1</sup> 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 just after receiving the equipment order. Therefore, (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 occurs on deliveries. While 2019 equipment revenues were temporarily impacted by the transition phase, this evolution leads to improvements in production and logistics management and helps reduce working capital requirements.

<sup>2</sup> Roye, B.D., Simhon, M.E., Matsumoto, H. et al. Establishing consensus on the best practice guidelines for the use of bracing in adolescent idiopathic scoliosis. Spine Deform (2020). <https://doi.org/10.1007/s43390-020-00060-1>

**Mike Lobinsky, CEO of EOS imaging, comments:** *“The first half of 2020 was marked by the COVID-19 outbreak which has temporarily impacted the Company's momentum. Nevertheless, we are pleased with the restart of system installations in Q2 and the strong interest and adoption of our new EOSedge system which represents 86% of half-yearly orders in the countries where it is registered. The growth in maintenance revenues fuels our recurring business which we continue to develop. Finally, our global sales pipeline continued to grow and mature in the first half of 2020 with benefits expected in quarters to come. We remain bullish on EOS being well positioned to accelerate growth once the health crisis recedes.”*

- **Equipment orders temporarily impacted by COVID-19, however, the new system EOSedge™ gets customer traction**

  - In the second quarter of 2020, EOS imaging booked 4 equipment orders, including 2 EOSedge, for a total of €2.0 million, compared to 15 orders in the second quarter of 2019. This is a direct result of the COVID-19 pandemic, as equipment orders were slowed by the restricted access of sales representatives to hospitals and by the postponement of investment decisions by EOS' customers.
  - In the first half of 2020, EOS imaging booked a total of 10 equipment orders for a total value of €5.0 million. This compares to 30 orders, for a total value of €12.8m in 2019. The significant increase in average selling price is driven by the new platform, EOSedge, which represented 60% of orders in H1 2020 and 86% of orders in countries where EOSedge is registered.
  - The order book value was €13.7m at the end of the first semester compared to €14.4m at the end of December 2019.
  
- **Resumed installation activity in the back half of Q2 together with regular maintenance revenues supported increased quarterly revenues vs. 2019 revenue base**

  - Q2 2020 revenue increased strongly and reached €7.3<sup>3</sup> million vs. €3.4 million in Q2 2019. It is composed of:
    - €4.1 million in equipment sales resulting from:
      - €5.0 million from the delivery of 10 systems, vs. €0.7 million in Q2 2019 when only 2 systems were delivered. While the revenue base of 2019 is not comparable, since it was impacted by the transition into the new commercial cycle, the delivery activity of Q2 2020 was close to last year's, thanks to the rebound in the installation activity after the COVID lock-down.
      - -€0.9 million of provisions on aged receivables.
    - €3.2 million in recurring revenues, up +18% resulting from:
      - +24% (+€0.6m) growth in Maintenance revenue which benefit from the continuous expansion of the install base.
      - -46% decrease in Consumable and Orthopedic Service revenues (-€0.1m) due to the temporary decrease of elective surgery during the pandemic.

<sup>3</sup> including forex impact of 0.05m€

- Total revenue for the first half of 2020 was €11.0 million. Equipment sales amounted to €4.8 million, of which €5.7 million from the sales of 12 units and -€0.9m from provisions on aged receivables. Recurring revenue reached €6.2 million, +19% growth compared to last year.

■ **Growing adoption of EOSedge and select business highlights**

- The first half of 2020 confirmed customer interest in EOS imaging innovative new platform, as 6 out of 10 equipment orders were placed for EOSedge. Since its launch in December 2019, EOSedge has been very well received by the medical community, promising strong future opportunities. In North America, installs returned nationwide in community hospitals, academic centers and orthopedic private practices. In Europe, EOS imaging continued its expansion, despite the Covid-19 pandemic, by installing the new EOSedge in several key reference sites in France (Bordeaux, Ajaccio) as well as in Germany (Hamburg) within the renowned Asklepios health network. The EOS installed base of EOS also grew in Eastern Europe and in France. In the Asia-Pacific region, EOS imaging maintained momentum by enlarging its installed base in Australia, India, Korea and Singapore, while taking new orders, including the flagship product, EOSedge, in Australia.

■ **Newly published best practice guidelines for bracing Adolescent Idiopathic Scoliosis (AIS)<sup>2</sup> support EOS**

- A consensus newly published in the Spine Deformity Journal from top thirty-eight orthopedic surgeons, physiatrists, orthotists, physical therapists, and research scientists from seven countries recommends the use of low dose biplanar radiography for the follow-up of AIS patients treated with spinal braces. Bracing is a non-surgical therapy to prevent curve progression for scoliotic patients.

■ **H1 2020 orders and revenues by product line**

<b>Equipment orders</b> <i>Unaudited / including forex impact<sup>3</sup> / €m</i> <i>As of June 30</i>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>H1 2020</b>	<b>H1 2019</b>
Equipment orders received (over the period)	2.00	6.57	4.97	12.82
Equipment order book (end of period)	13.69	12.05	13.69	12.05
<b>Revenues</b> <i>Unaudited / including forex impact / €m</i> <i>As of June 30</i>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>H1 2020</b>	<b>H1 2019</b>
Equipment	<b>4.09</b>	0.72	<b>4.81</b>	0.77
Maintenance	<b>3.04</b>	2.45	<b>5.76</b>	4.66
Consumables and associated services	<b>0.14</b>	0.26	<b>0.47</b>	0.57
<b>Total revenues</b>	<b>7.27</b>	3.42	<b>11.04</b>	6.00

■ **H1 2020 revenues by region**

<b>Revenues</b> <i>Unaudited / including forex impact / €m</i> <i>As of June 30</i>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>H1 2020</b>	<b>H1 2019</b>
EMEA	<b>2.09</b>	1.66	<b>3.81</b>	2.92
APAC	<b>1.39</b>	0.18	<b>2.04</b>	0.35
NAM	<b>3.77</b>	1.58	<b>5.17</b>	2.74
LATAM	<b>0.01</b>	0.00	<b>0.02</b>	0.00
<b>Total revenues</b>	<b>7.27</b>	3.42	<b>11.04</b>	6.00

■ **30 June 2020 cash position at € 9.9 million**

As of end-June 2020, EOS imaging’s cash position amounted €9.9 million<sup>4</sup>, compared to €8.2 million at 31 December 2019. The increase in cash was driven by recurring maintenance revenues, the re-start of the installation activity following the lock-down, government support programs and cost reduction measures implemented by EOS management.

■ **COVID-19 update and outlook**

As it did for many companies, the COVID pandemic impacted EOS in the first half of 2020. During this time, the EOS management team continued to monitor the situation and made timely decisions to ensure the safety of the company’s employees and customers while continuing to meet the needs of hospitals and caregivers. EOS implemented a cost management plan in H1, which has extended into H2, effectively lowering expenses and contributing to the improved cash position at the end of Q2. The company has also benefitted from Government programs designed to provide support during the pandemic.

EOS Global Sales and Marketing teams remain active conducting remote customer demos and virtual tradeshows which continued to build the sales pipeline. The company started to see some markets open up in late Q2 and remains optimistic about recovery once the situation has normalized.

**Next financial press release:** 2020 first-half results, on September 23, 2020

<sup>4</sup> Un-audited figures

## 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 EOS patient X-ray images, web-based patient-specific surgical planning, and integration of surgical plan into the operating room that collectively bridge the entire spectrum of care from imaging to post-operative assessment capabilities for orthopedic surgery. With a primary focus on hips, knees, and spine, EOS imaging is targeting a \$2 billion annual market opportunity. EOS imaging has over 350 system installations in more than 30 countries generating more than 1 million patient exams annually. EOS imaging has corporate locations in U.S., France, Canada, Germany, and Singapore, and has more than 165 employees. For additional information, please visit [www.eos-imaging.com](http://www.eos-imaging.com).

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



### CONTACTS:

#### EOS imaging

Valérie Worrall  
CFO

[investors@eos-imaging.com](mailto:investors@eos-imaging.com)

(+33) 1 55 25 60 60

#### NewCap

Investor Relations  
Thomas Grojean

[eos-imaging@newcap.eu](mailto:eos-imaging@newcap.eu)

+33 1 44 71 94 94

#### FP2COM

Press Relations

Florence Portejoie

[fportejoie@fp2com.fr](mailto:fportejoie@fp2com.fr)

(+33) 6 07 76 82 83