

CONNECTING IMAGING TO CARE

# Investor Presentation

**Mike Lobinsky, CEO**  
**Valérie Worrall, CFO**

October 2020



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# EOS imaging: a leader in orthopedic medical imaging and software solutions

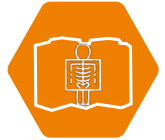
Corporate presentation



**Unique, innovative, low dose 2D/3D full body imaging and software solutions** bridging the gap between imaging and orthopedic surgery



**EOSedge**: a disruptive imaging system with regulatory approvals in the U.S., Europe, Canada and Australia



**EOS system**, the first-generation system recognized worldwide with clearance to market in **51 countries** incl. U.S. (FDA), Japan, China, and the European Union (CE), with over 370 units installed worldwide



A product portfolio targeting a **~€2 billion per year** addressable market



**Strategic partnerships** in **selected countries** and **direct commercial presence** with offices in France (HQ), U.S., Canada, Germany, and Singapore



**165 employees**, including an R&D team of 45 engineers

# Experienced Complimentary Management Team

Combined 120+ Years Medical Technology Experience

Corporate presentation



**Mike Lobinsky – Chief Executive Officer**

- Over 20 years experience in Medical Device
- Held senior management positions at Smith and Nephew, Brainlab, Blue Belt Technologies, Stryker Corp
- Joined the company in 2017
- Appointed CEO Jan 2019



**Carl Denys – VP Global Marketing**

- Over 25 years of global medical industry experience in upstream/downstream marketing, business development, and sales operations.
- Held senior management positions at IMRIS, St. Jude Medical, and Boston Scientific
- Joined EOS imaging in 2020



**Eric Maulave - Chief Operating Officer**

- Over 25 years of experience and began his career as business engineer for the IT and Multimedia sectors within the Philips Group.
- Held various international positions as Sales and Marketing Director within the Philips Group.
- Joined EOS imaging in 2012



**Didier Saint-Felix - Transformation Director**

- Over 30 years of experience in the research and development of innovative medical imaging systems.
- Began his career at the French National Center for Scientific Research (CNRS) and then led R&D at General Electric Healthcare
- Joined EOS imaging in 2006



**Valerie Worrall - Chief Financial Officer**

- Over 20 years' experience in Finance in the Healthcare industry
- She had a long tenure with Novartis and was recently CFO of Balt
- Joined EOS imaging in 2018



**Pascal Désauté – Chief Technology Officer**

- Over 18 years of experience in R&D and engineering in the healthcare market
- 5 years of experience in R&D in mutli-energy X-ray cargo imaging
- Contributed to the development of the gaseous detector of EOS, and to the overall device EOS
- Joined EOS imaging in 1997



# EOSimaging: a standard in orthopedic medical imaging

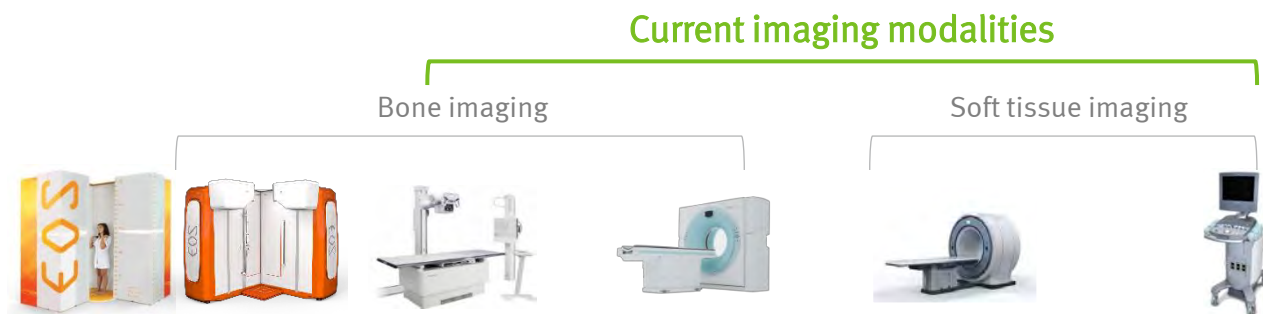
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# Differentiated Orthopedic Imaging Platform

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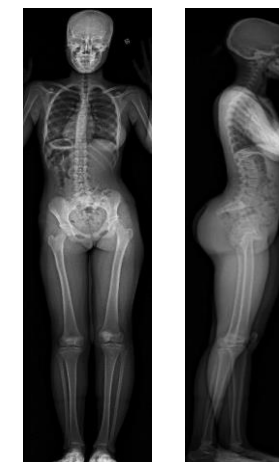
## Addressing Weaknesses in Conventional Imaging



	EOS Offering	X-ray: CR/DR	CT Scanner	MRI	Ultrasound
Low dose <sup>1</sup>	✓			✓	✓
3D imaging	✓		✓*	✓*	
Full-body (no stitching)	✓		✓	✓	
Weight-bearing	✓	✓			✓
Low cost		✓			✓

\*Only available in non-functional positions

EOS



*Continuous,  
full-body imaging*

X-Ray



*Imprecise,  
stitched imaging*

# EOS Orthopedic Solutions

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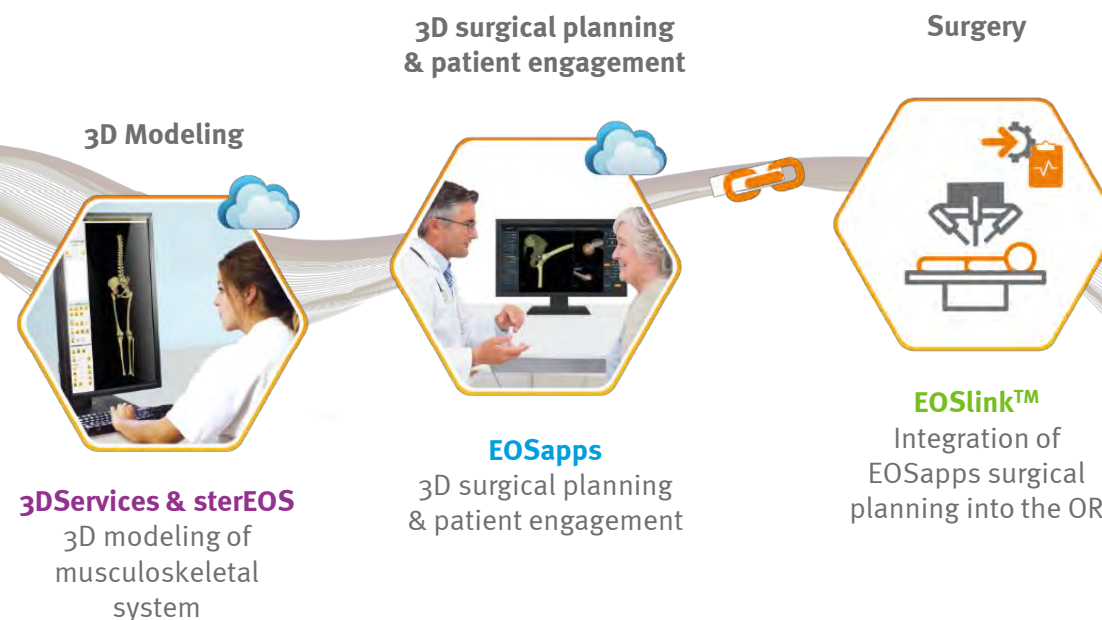
## Expansion Beyond Radiology System & Creation of 2 Focused Divisions

### Imaging Solutions



2019

### Advanced Orthopedic Solutions



2019

October  
2020

# EOSedge™ a clinical innovation through disruptive technology

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In 2008

## EOS imaging created new orthopedic imaging standard system...

- › Stereo-radiographic **weight-bearing** acquisition
- › **Full body** image acquisition
- › 3D modeling with **accurate measurements**
- › **Nobel-prize** winning technology
- › Low dose imaging based on **ALARA** (As Low As Reasonably Achievable) safety principle



In 2019

## EOS imaging reshapes musculoskeletal radiology with EOSedge™

- › Best-in-class **image resolution** to support broad diagnostic capabilities
- › First general X-ray system with **photon-counting detector**
- › Optimized dose modulation with **Flex Dose™**
- › Open design and shorter exam times in delivering **streamlined workflow**
- › Designed to **extend diagnostic imaging** utilization





# High-resolution photon-counting detection

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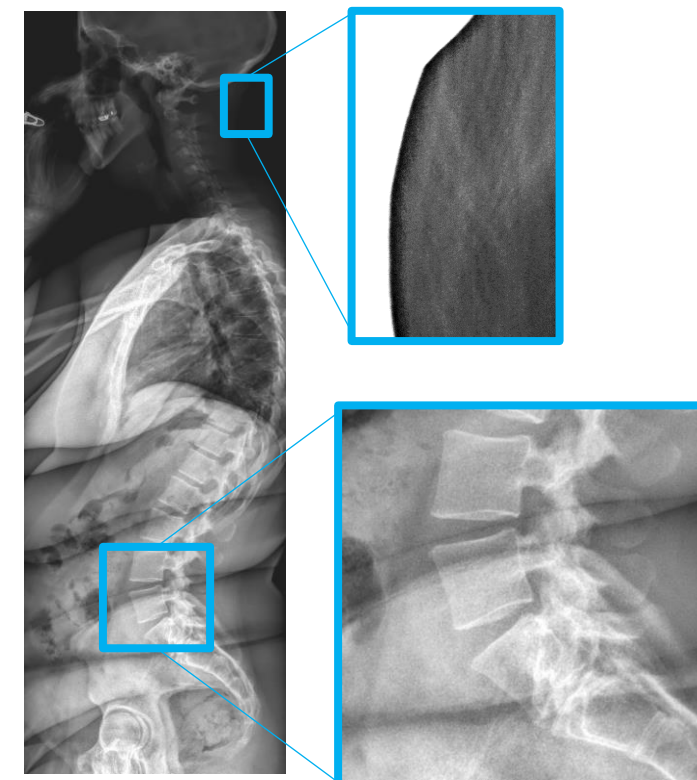
- › EOSedge is a general X-ray system powered by a high-resolution photo-counting detector which provides optimal image quality for a broad range of patients
- › Capture 1:1 functional 2D/3D images in less than 20 seconds—with no stitching—that support well-informed diagnoses and 3D surgical planning



# Outstanding image quality

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- › Photon-counting detector delivers enhanced images with better contrast and less noise
- › High-quality spatial resolution aims to deliver better interpretation of imaging exams
- › For patients with orthopedic implants there is no alteration of diagnostic capabilities



1m59/33y/108kg (238 lbs)

# A differentiating patient experience

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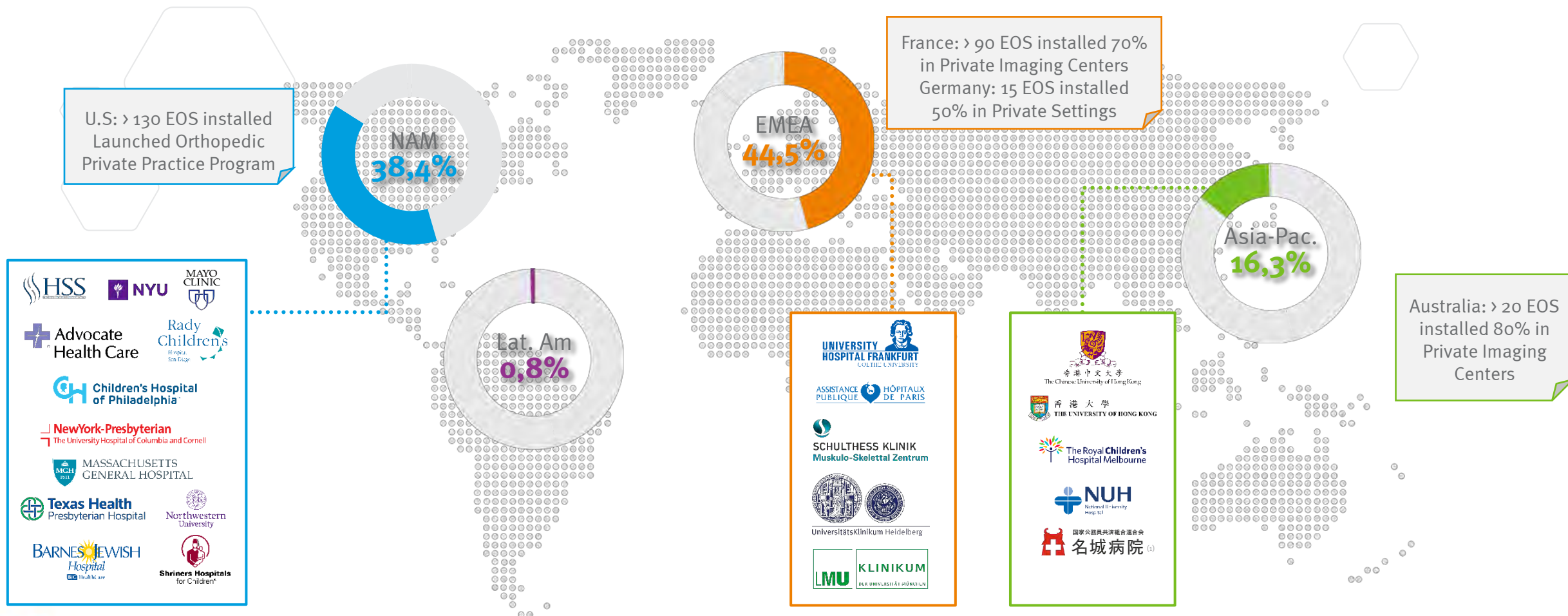
- › The open cabin design makes capturing full body biplanar images fast, easy and safe for a broad range of patients
- › Motorized platform and accessible design enables easy patient entry and positioning
- › Flex Dose™ modulating technology uses a radiation dose that is As Low As Reasonably Achievable (ALARA) across patient morphology



# Installed Base as of June, 30 2020

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- Over 370 Systems Installed Worldwide, of which over 140 in NAM





# Global Top Hospital Penetration

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EOS in 7 of the top 10 best hospitals in the world



TOP # 10



WORLD BEST HOSPITAL



1. Mayo Clinic



Cleveland Clinic

2. Cleveland Clinic\*



3. Singapore General Hospital (Bukit Merah)

4. The Johns Hopkins Hospital (Baltimore)



5. Charité (Berlin)



6. Massachusetts General Hospital (Boston)

7. Toronto General Hospital

8. University of Tokyo Hospital



9. Lausanne (Switzerland) University Hospital



10. Sheba Medical Center (Tel Aviv, Israel)

# Revenue – FY 2019



# Change in the commercial cycle in 2019

- › Shift by 3 to & 15 months of the equipment delivery to the customer
- › The ordering and installation activity remains unchanged
- › Cash stream remains unchanged : deposit at order and final payment at acceptance
- › Decreased working capital thanks to reduced time from equipment production to installation
- › One-time transition impact on equipment revenue, as equipment billing (at delivery) are delayed until customer site readiness

*Up to December 2018*

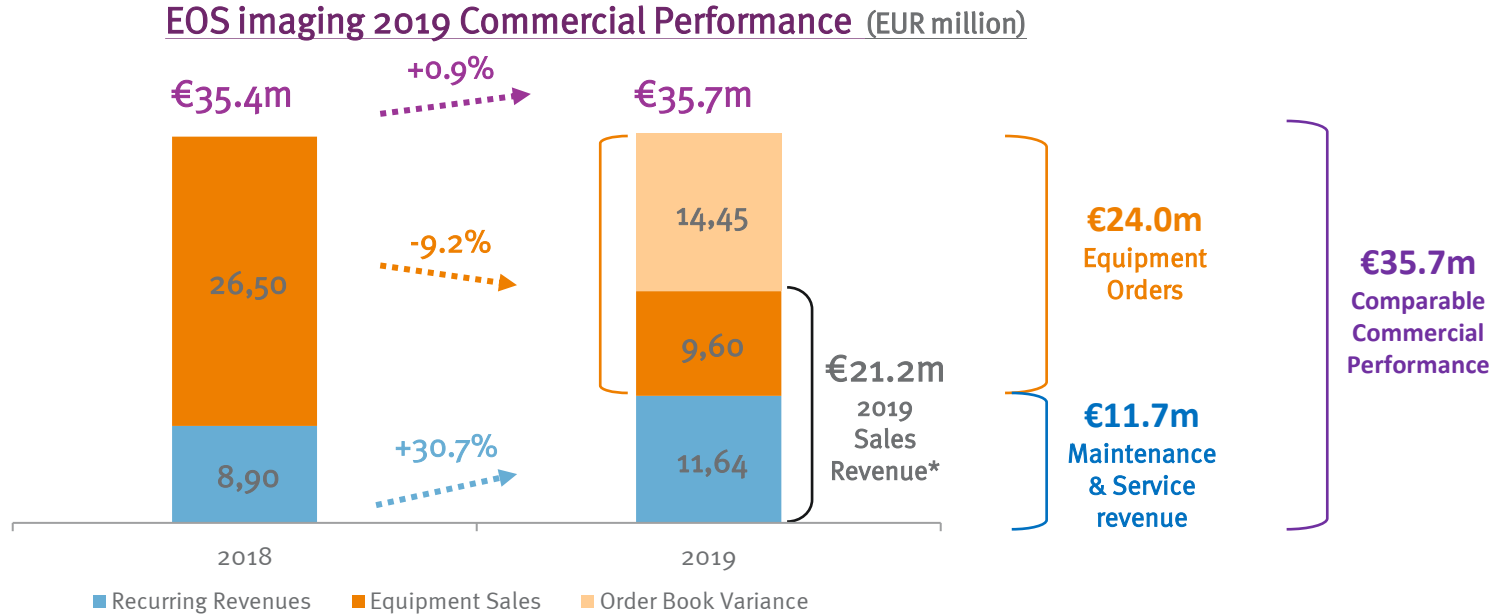


*Since January 2019*



# 2019 Commercial Performance

- › €21.4 million of **sales revenue** generated in 2019
- › €24.0 million of **equipment orders** booked in 2019 (-9% vs. PY) .
  - The decrease vs. PY comes from low Q4 2019 orders : the launch of the new platform EOSedge, in Dec. 2019, created delays in customer decisions
  - 2019 Customer Orders split as follows :
    - €9.7m **equipment sales** billed within the year
    - €14.3 million **order book value** at Dec. 31, 2019 (vs. 0€ in Order Book at Dec. 31, 2018)
- › €11.7 million of **recurring revenue** (Maintenance and Orthopedic Services) (+31% vs. PY), thanks to mainly to the growth of the equipment installed base
- › €35.7 million of **comparable commercial performance** (+1% vs. PY).  
 Commercial performance is a comparable indicator not impacted by the change in commercial cycle.  
 It is equal to 'Total Sales + Equipment Order Book variation'; and also to 'Equipment Orders + Recurring Revenue'



\* Excluding IFRS provisions and financial revenue adjustments



# 2019 Detailed Revenue Breakdown

- › 2019 revenue reflecting the transition to the new commercial cycle
- › Revenue consist in the billing of 24 EOS® systems and in recurring revenue from Maintenance and Orthopedic services

Revenues by product lines <i>Including forex impact / € million / As of December 31 2019</i>	2019	2018
Equipment	9.59	26.47
Maintenance contracts	10.45	7.93
Consumables and services	1.19	0.99
<b>Sales Revenue before IFRS adjustments</b>	<b>21.23</b>	35.39
Provision on receivable of prior years	(0.98)	-
Financial restatement	(0.16)	-
<b>Reported Sales Revenue</b>	<b>20.09</b>	35.39
Revenues by geographies <i>Including forex impact / € million / As of December 31 2019</i>	2019	2018
EMEA	10.28	13.38
APAC	3.91	6.38
NAM	7.02	14.93
LATAM	0.03	0.71
<b>Sales Revenue before IFRS adjustments</b>	<b>21.23</b>	35.39

# Revenue – 9-month 2020



# Q3 & 9-months 2020 Highlights

**€16.2m**  
9M 2020  
revenues  
(+32%)

**€16.1 million**  
**Equipment Order Book**  
**at 30 Sept. 2020**

vs. €13.7m at June  
30, 2020

**€9.7m**  
9M 2020  
recurring  
revenues

**+21% vs. 9M 2019**  
thanks to the  
continued growth in  
maintenance activity  
(+26%)

**€5.4m**  
from 12  
equipment  
orders

Equipment orders  
**rebound in Q3**  
**2020**, approaching  
prior year levels

**€10.2m**  
Solid cash  
Position

vs. €9.9m at  
June 30, 2020

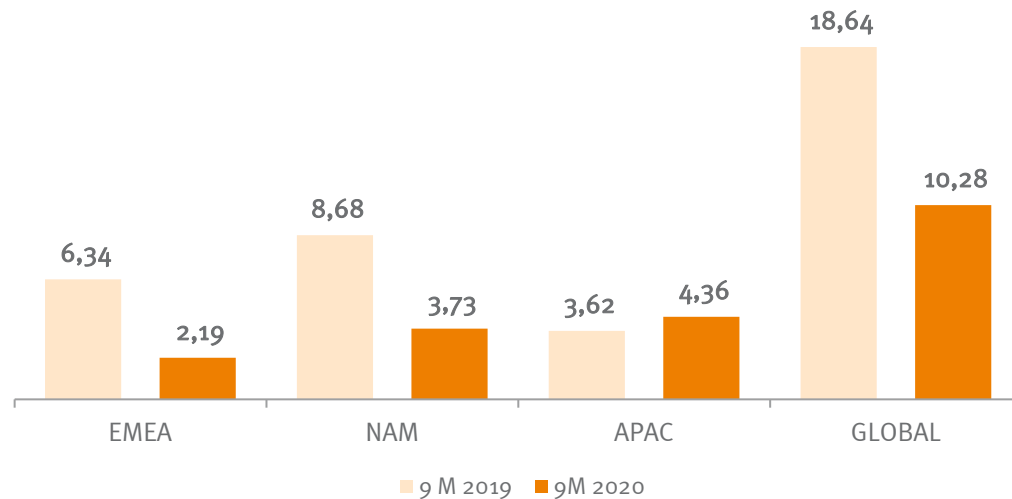
Growing  
adoption of  
EOSedge

**85% of 9M 2020**  
**equipment orders\***  
driving the  
improvement in average  
selling prices

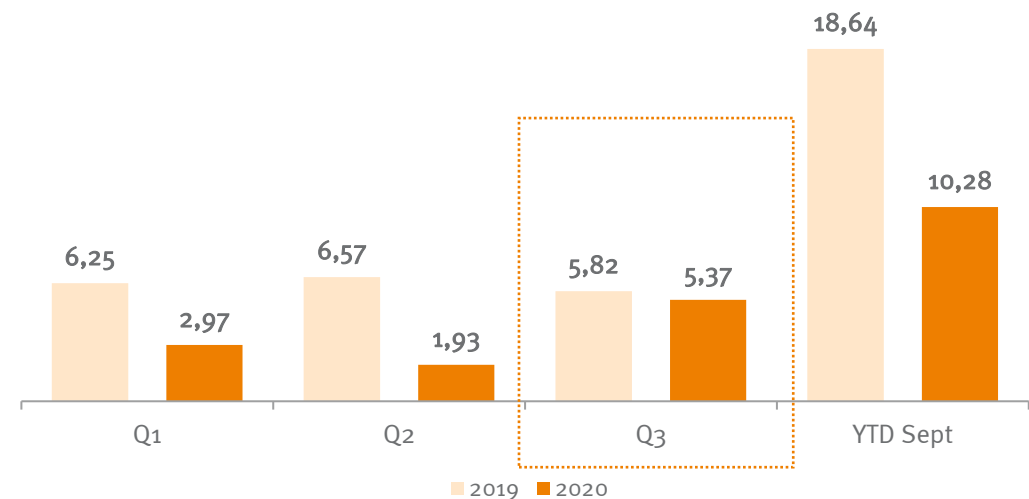
# Q3 and 9M 2020 Equipment Orders

- › **€5.4 million** of equipment orders in Q3 2020 (12 orders booked including 5 EOS edge) vs. 14 orders in Q3 2019
- › **€10.3 million** of equipment orders in 9M 2020 (22 orders booked including 11 EOS edge) vs. 44 orders in 9M 2019
- › ASP continues to increase driven by EOSedge, which represented 50% of 9M 2020 orders and 85% of 9M 2020 orders in countries where it is commercialized

EOS imaging 9M Equipment Orders by Region  
*EUR million*



EOS imaging quarterly Equipment Orders  
*EUR million*

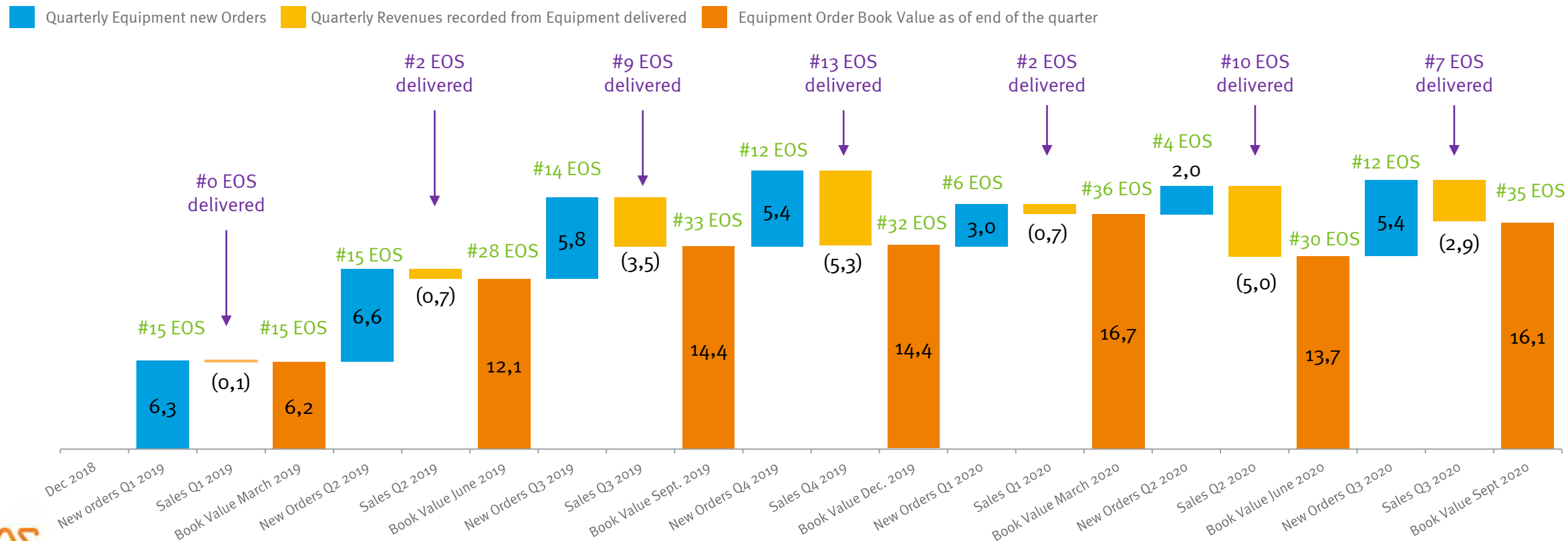




# Order Book as of September 30, 2020

- › 12 equipment orders, including 5 EOSedge, for a total of €5.4 million in Q3 2020
- › €2.9 million from the delivery of 7 systems
- › **Order book** up by €2.4 million during Q3 to reach **€16.1 million** at, September 30, 2020 as new orders exceed deliveries

EOS imaging Order Book Variation - EUR million



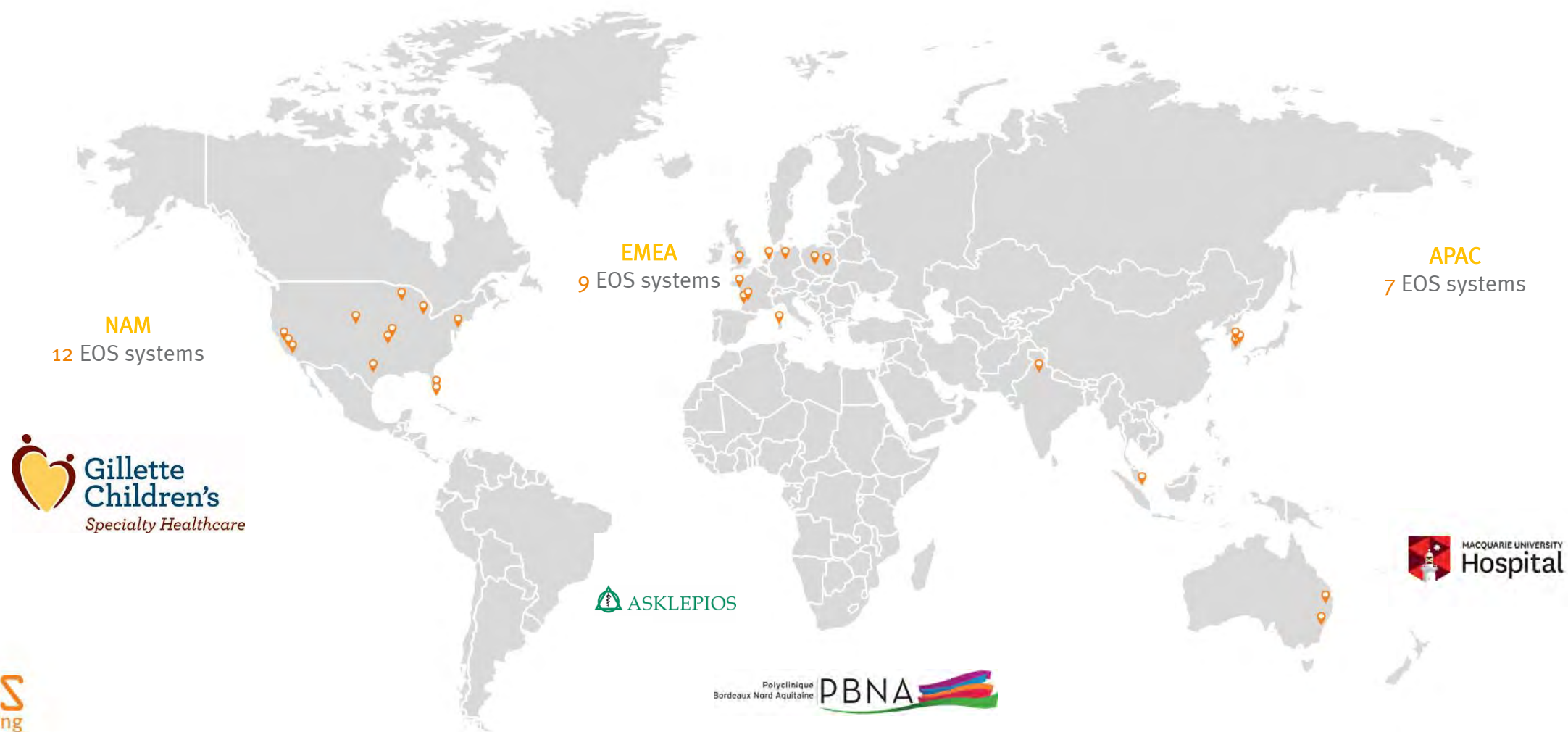
# Q3 & 9M 2020 Detailed Revenue Breakdown

Revenues by product lines <i>Including forex impact / € m   As of Sept. 30 2020</i>	Q3 2020	Q3 2019	9M 2020	9M 2019
Equipment	2.90	3.51	6.47	4.28
Maintenance contracts	3.22	2.50	8.98	7.16
Consumables and associated services	0.24	0.26	0.71	0.83
<b>TOTAL REVENUES</b>	<b>6.37</b>	<b>6.27</b>	<b>16.16</b>	<b>12.27</b>

Revenues by region <i>Including forex impact / € m   As of Sept. 30 2020</i>	Q3 2020	Q3 2019	9M 2020	9M 2019	9M Geographic split
EMEA	2.72	3.68	6.47	6.60	40%
APAC	1.60	0.93	3.36	1.29	21%
NAM	2.04	1.65	6.31	4.39	39%
LATAM	0.01	0.00	0.03	0.00	0%
<b>TOTAL REVENUES</b>	<b>6.37</b>	<b>6.27</b>	<b>16.16</b>	<b>12.27</b>	<b>100%</b>

# Install Map 2020 YTD

28 system install YTD



# COVID-19 Impact and Outlook

- › **Equipment orders** were slowed in H1 2020 by the Covid-19 pandemic but significantly rebound in Q3 thanks to hospitals resuming their investment activities
- › **No impact on 9M maintenance revenue** as revenue come from annual contracts
  - Continued growth on maintenance revenue in relation to the continuous expansion of the install base
- › **Consumables and Advanced Orthopedic Services:** temporary delays of elective surgeries
  - Elective surgeries resuming
- › **Continued monitoring of the situation** to ensure the safety of employees and customers while continuing to meet the needs of hospitals and caregivers
- › **Support from Government programs**
  - Extension of the US forgivable loan (PPP) program to 24-weeks (i.e. April to Nov)
  - French guaranteed loan (PGE) program can be requested until 31/12/2020
- › **Cost management measures. Good Cash visibility for the year 2021.**
  - Continued hiring freeze, and further reductions in external contractors
  - Virtual events allow to significantly reduce travel and event costs
  - Continued benefits of the reduction of working capital program



# Financials – H1 2020



# HY 2020 Financial Highlights

€9.8m  
Sales  
Revenue  
(+63%)

**€13.7 million  
Equipment Order Book  
at 30 June 2020**

€14.4m order book at Dec. '19  
+ Equipment orders : €5.0m  
- H1 Equipment sales (€5.7m)

Growing  
adoption of  
EOSedge™

- EOSedge represented 60% of orders in H1 2020
- First commercial installations in Europe and in the U.S.

€11.0m  
OpEx  
(-16.5%)

Structural reductions in the cost structure and added tactical savings on OpEx during the pandemic

€4.9m  
Net Loss

Strong reduction in net loss  
**vs. €(10.0)m HY 2019**

€9.9m  
Cash  
Position

**+€1.7m vs. Dec. 2019**  
Continued benefits of the new sales cycle & Covid support measures  
**Good cash visibility for the year 2021**

# H1 2020 Income statement

- › Strong increase in revenues, expansion of EOSedge sales and improvement of the cost structure

*Income Statement / € millions*  
*Unaudited / As of June 30*

	HY 2019	HY 2020
Net total sales	6.00	9.78
Other income	1.00	1.29
<b>TOTAL REVENUES</b>	<b>7.01</b>	<b>11.07</b>
Direct cost of sales	(2.97)	(4.24)
<b>GROSS MARGIN</b> (excl. other income)	<b>3.03</b>	<b>5.55</b>
<i>as a % of net total sales</i>	<i>50.5%</i>	<i>56.7%</i>
Total operating expenses	(13.12)	(10.96)
<b>Operating income/(loss)</b>	<b>(9.07)</b>	<b>(4.13)</b>
Net financial income/(expense)	(0.90)	(0.79)
<b>Net income/(loss)</b>	<b>(9.97)</b>	<b>(4.92)</b>

H1 2020 net Sales of €9.8m (+63%), fueled by increased equipment sales and continued maintenance revenue momentum

Improvement in GM as % of Sales is due to the reduction of maintenance interventions during the lock-down while associated revenues were not affected

Decreased operational expenses (-16.5%) thanks to structural reductions in the cost structure and added tactical decline on Operating Expenses during the pandemic

# H1 2020 Operating Expenses

- Operating expenses (incl. share-base payments) totaled €11.0 million in the first half of 2020, a decrease of 16.5% compared to H1 2019

*Operating Expenses / € millions*  
*Unaudited*

*As of June 30*

	HY 2019	HY 2020
Indirect cost of production and services	2.03	2.06
Research & Development	2.29	2.58
<i>of which amortization</i>	<i>0.42</i>	<i>0.55</i>
Sales, Marketing and Clinical	5.32	3.22
Regulatory expenses	0.44	0.33
Administrative costs	2.59	2.75
Share-based payments	0.44	0.02
<b>TOTAL OPERATING EXPENSES</b>	<b>13.12</b>	<b>10.96</b>

During the pandemic, several expenses were reduced such as cancelled or digitalized trade shows and marketing events

On a more structural level, the company has suspended its recruitment and reduced the number of external contractors

Travel and marketing events expenses were lowered by more than one million euros

# H1 2020 Balance Sheet

Balance Sheet / € millions  
Unaudited

As of December 31, 2019

As of June 30, 2020

Intangible Assets	8.49	8.89
Lease Right-of-Use	4.39	4.25
Inventories and work in progress	13.51	14.40
Trade receivables	17.70	13.90
Other Current Assets	5.22	3.53
Cash	8.19	9.89
<b>Total Assets</b>	<b>64.88</b>	<b>62.05</b>
Shareholder's Equity	12.08	7.21
Financial Liabilities	24.65	25.63
Lease Liabilities	3.91	3.78
Trade Payables	3.97	3.62
Other Current Liabilities	16.87	19.63
<b>Total Liabilities</b>	<b>64.88</b>	<b>62.05</b>

Continued reduction of trade receivable with the new commercial cycle

Early payment of Research Tax Credit in H1

of which €2.2m increased customer deposit on orders, thanks to the new commercial cycle and the implementation of improved payment terms



# H1 2020 Cash Flow Statement

› The increase in cash is the result of :

- The gradual and structural reduction in operating working capital thanks to the change of commercial cycle (+€4.1m)
- Delayed Social Charges and Accelerated Tax Credit from French measures (+€2.8m)
- Covid Financing from US and Canada Loans (+€0,4m) (excluding forgiven portion relative to H1 2020, booked in Other Income for €0,3m )

*Cash Flow Statement*  
/ € millions Unaudited

	Dec 31, 2019	H1 2020
<i>Net Income</i>	<i>(9.97)</i>	<i>(4.92)</i>
<i>Restatement of non-cash items</i>	<i>1.21</i>	<i>1.3</i>
<i>Restatement of financial items</i>	<i>(0.01)</i>	<i>(0.07)</i>
<i>Working Capital variation</i>	<i>(0.29)</i>	<i>6.94</i>
Cash Flow from operating activities	(9.05)	3.26
Cash Flow from investing activities	(1.51)	(1.77)
Cash Flow from financing activities	(0.50)	0.24
<b>Change in cash and cash equivalents</b>	<b>(11.02)</b>	<b>1,70</b>
Cash Position at end of the period	8.69	9.89

— The company increased its cash position by €1.7m over H120.  
As of end-June 2020, EOS cash position totaled €9.9m

— EOS currently has cash visibility over 2021 and can consider additional financing options such as French PGE

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