



EOS imaging Reports First-half 2015 Results

Strong revenue growth of 43% to €10.2 million

Gross margin expands 560 basis points

Reduction of 34% of the operating loss

Paris, September 1st, 2015 – 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, 2015, as approved by the Board of Directors on September 1, 2015.

<i>In millions of euros</i>	First-half 2015	First-half 2014
Operating income		
Revenue	10,2	7.12
Other income	0,96	1.00
Total income	11,2	8.12
Operating expenses		
Direct cost of sales	-5,19	-4.02
Gross margin	5,01	3.09
as a % of revenues	49,1%	43.5%
Indirect cost of production and services	-1,47	-1.28
Research & development	-1,71	-1.70
Sales & marketing	-3,08	-2.90
Regulatory expenses	-0,36	-0.26
Administrative costs	-1,74	-1.57
Total operating expenses (excluding direct cost of sales and share-based payments)	-8,36	-7.71
Share-based payments	-0,11	-0.20
Total operating expenses	-13,66	-11.93
Net operating income/(loss)	-2,51	-3.81
Net income/(loss)	-2,62	-3.91

- **Strong sales growth in the first half of 2015: up 43% to €10.2 million**

The Company sold 20 EOS® systems during the first half of 2015, compared to 15 systems during the same period last year. With a higher average selling price of €425,000 (compared with €391,000 at June 30, 2014), revenues from sales of equipment totalled €8.5 million, an increase of 45%.

Sales of maintenance contracts, which were driven by the increase in the installed base of EOS systems under contract, increased by 42% to €1.32 million compared with €0.93 million last year.

Sales of consumables and services were €0.38 million in the first half of 2015, up 17% compared to the same period last year.

Excluding the impact of changes in foreign currency exchange rates, total sales were up 30% in the first half of 2015.

The Company also recorded €0.96 million in other income consisting of public financing in support of its innovation (research tax credit and subsidies).



- **Further increase in gross margin**

Gross margin for the first half of 2015 improved to 49.1% of revenues, up from 43.5% in the first half of last year. The 560 basis point improvement was driven by positive trends in production parameters and favorable currency effects. Excluding currency effects, gross margin improved by 120 basis points to 44.7%.

- **Strict control in operating expenses**

Operating expenses, excluding the direct cost of sales and share-based payments, were €8.36 million in the first half of 2015, up from €7.71 million in the first half of the previous year, representing an increase of 8%. This compares favorably to the 43% growth in revenue during the first half of 2015.

Research & development expenses were €1.71 million, essentially flat compared to €1.70 million in the same period last year, reflecting the Company's ongoing investments in its new product pipeline following a 74% increase in research & development expenses in the first half of 2014 compared to the first half of 2013. Regulatory expenses increased 38% in the first half of 2015, reflecting the Company's continued efforts to extend the regulatory approval for the EOS system in new markets. The 6% increase in sales & marketing expenses, 11% increase in administrative costs, and 15% increase in indirect cost of production and services reflect increased resources to support business growth.

Including the impact of share-based payments, the Company's operating loss was €2.51 million in the first half of 2015, representing a reduction of 34% of the operating loss compared to €3.81 million in the same period last year.

The Company's net loss for the six months ended June 30, 2015 was €2.62 million, compared with €3.91 million in the same period of 2014.

The Company had 112 employees as of June 30, 2015, compared with 107 employees as of December 31, 2014.

- **Cash position and balance sheet**

The Company's net cash position at June 30, 2015 was €6.3 million, compared with €10.2 million at December 31, 2014. Cash burn from operations was €8.2 million, reflecting an increase of €6.2 million in the working capital requirement, due to the execution of the Company's growth strategy. A first €5.0 million tranche of convertible bonds was subscribed in March 2015 to support the execution of growth.

Equity at June 30, 2015 was €23.6 million compared with €25.5 million at December 31, 2014 as a result of the loss posted for the first half of 2015.

Marie Meynadier, CEO of EOS imaging, commented: *"During the first six months of 2015, we actively continued to ramp up our sales, especially in the United States, where we achieved remarkable growth. We combined this positive momentum in EOS system sales with continued investments in the development of new procedure-enabling technologies that have the potential to boost our recurring revenue streams. During the first half of the year we also expanded gross margin by more than 5 percentage points and carefully managed our operating expenses, which contributed to improved operating performance. Our full-year results, which historically are led by a stronger second half as compared to the first half, are likely to be supported by ongoing momentum in the United States and continuing strong growth in Europe."*



▪ Half-year financial report

EOS imaging's half-year financial report has been filed with the Autorité des Marchés Financiers and 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.

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 48 countries, including the United States (FDA), Japan and the European Union (EC). The Group posted 2014 revenues of €20.1 million and employs 107 people including an R&D team of 39 engineers. 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: revenue for the 3rd quarter of 2015, on October 20, 2015 (after market).

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