

Press Release

## EOS IMAGING REPORTS FULL-YEAR 2020 REVENUE UP +19% YEAR-ON-YEAR

*400<sup>th</sup> EOS imaging system installed in December  
Significant increase in equipment orders in Q4 2020  
Continued strong cash position at €9.7m as of end 2020*

Paris, January 11, 2021, 6:30 am CET – 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 its unaudited full-year sales for the financial year ending December 31, 2020.

- **€23.8 million total revenues (+19%) generated over the year 2020**
  - **€10.9m in equipment revenues from the billing** of 34 imaging systems of which 15 in Q4 2020, to be compared to. €8.5m in 2019<sup>1</sup>
  - **€12.9m in recurring revenues**, up +11% compared to 2019, driven by the growth in maintenance and in spite of the impact of the pandemic on consumables and services.
- **€18.3 million equipment orders booked in 2020** (vs. €24.0m in 2019) **of which €8.1m in Q4 2020 vs. €5.4m in Q4 2019**
- **Equipment Order Book grows to reach €17.4m at Dec. 31, 2020** vs. €14.5m at Dec. 31, 2019
- **Cash position improved at €9.7m as of December 31, 2020** vs. €8.2m at December 31, 2019
- **Successful first full-year of commercialization of EOSedge™ which represented 85% of 2020 orders in the countries where it is cleared to market**
- **Significant milestones crossed in December 2020: 400<sup>th</sup> global install and 150<sup>th</sup> install in North America**
- **Alphatec Holdings and EOS imaging reached a new agreement on December, 16 2020<sup>2</sup> for the acquisition of EOS imaging**

**Mike Lobinsky, CEO of EOS imaging, comments:** *“The company experienced a solid rebound in equipment orders in the second half of the year driven by the strong adoption of EOSedge system, representing 85% of orders in countries where we are cleared to market. I was pleased with the way our team managed the unprecedented pandemic situation to continue to serve our customers globally and efficiently preserve cash. Finally, we closed the year with a renewed agreement with Alphatec holdings for the acquisition of EOS imaging. The combination of our two complementary organizations and product portfolios promises to bring many benefits to our companies, customers and patients”.*

<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 15 months after the order, a similar lag occurs on deliveries. While 2019 equipment revenues and more specially H1 2019 revenues, were temporarily impacted by the transition phase, this evolution leads to improvements in production and logistics management and helps reduce working capital.

<sup>2</sup> Cf. EOS imaging press release published on December, 17 2020

▪ **Orders: continuous momentum in Q4 2020 despite the pandemic context**

Following the rebound experienced in Q3, EOS imaging has maintained this momentum with 18 equipment orders in the fourth quarter of 2020, for a value of €8.1 million, compared to 12 orders in Q4 2019.

Throughout the year EOS imaging booked 40 equipment orders, representing a total value of €18.3 million vs. 56 equipment orders in 2019. The uncertainties due to the Covid-19 impacted H1 2020 orders as many capital budgets were on hold during the first half of the year.

2020 orders were notably fueled by the successful launch of EOSedge in December 2019, as 20 out of 40 systems ordered were EOSedge. The new innovative platform represents 85% of the orders in the countries where it has been commercialized. EOSedge orders have been received from new customers as well as legacy customers that have first generation EOS systems and have added EOSedge to their imaging offering. The increasing install base continues to provide a growing footprint for future recurring revenues (Service Agreements, Advanced Orthopedic Solutions).

- The EMEA region continues to show momentum with 8 orders in Q4 for a full-year total of 12. EOSedge market adoption has been very good with 14 orders received in 7 different countries since its introduction in December 2019. In addition, the company entered many new EMEA markets in 2020 such as Sweden, Poland, Romania and Algeria while at the same time continued to be selected by world-referenced hospitals like “Guy’s and St Thomas” in London (UK), “Hôpital Kremlin Bicêtre” in Paris (F) or “Erasmus Medical Center” in Rotterdam (NL);
- In North America, the Company recorded 4 orders in Q4 and 10 orders throughout 2020. Orders continued to resume in adult hospitals, top pediatric centers and private orthopedic and spine practices. EOS imaging also entered the government hospital space with its first order in a military center. 90% of 2020 NAM orders received were for EOSedge, confirming the high level of adoption which we expect to become the new standard of care in the market;
- In Asia Pacific, the Company continues on a strong momentum which resulted in 18 orders over the course of 2020 (of which 10 in China) including 6 during Q4. In addition, EOS imaging received orders from Samsung Medical Center, a well-known and major private healthcare provider in Seoul, South Korea and from Juntendo University Hospital in Tokyo Japan.

The Order Book value reached €17.4m at the end of December 2020 composed of 38 systems compared to €14.5m (32 systems) at the end of December 2019.

▪ **Revenue: 15 systems sold in Q4 contributing to a +19% FY total sales growth YoY at €23.8m**

- Q4 2020 revenues reached €7.7<sup>3</sup> million vs. €7.8 million in Q4 2019, in line with PY at constant rate. Composed of:
  - €4.4 million in equipment sales resulting from:
    - €6.6 million from the delivery of 15 systems, vs. €5.3 million in Q4 2019 when 13 systems were delivered.
    - -€2.2 million of repossessed equipment.
  - €3.2 million in recurring revenues resulting from:
    - €3.1m in Maintenance revenue on EOS install base, -7% vs. Q4 2019 which benefited from

<sup>3</sup> including negative forex impact of €0.14m

an exceptional billing catch-up.

- €0.2m in Consumable and Orthopedic Service revenues, a decrease vs. last year due to the temporary decrease of elective surgery due to the pandemic.
- Total revenue for 2020 was €23.8 million<sup>45</sup>, +19% vs. 2019. Equipment sales amounted to €10.9 million, of which €15.2 million from the sales of 34 units and -€4.3m of equipment repossessions. Recurring revenue reached €12.9 million, +11% growth compared to last year, driven by +16% in Maintenance revenue at constant rate.

■ **Cash position at €9.7 million as of December 31, 2020**

As of end-December 2020, EOS imaging's cash position amounted to €9.7 million, compared to €8.2 million at 31 December 2019.

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<sup>4</sup> The financial component of 2020 revenues, under IFRS, has not yet been restated from sales revenue to financial income and expenses. For fiscal year 2019, this restatement corresponds to a net financial income of €163k, which has reduced sales revenue by the same amount.

<sup>5</sup> Including negative forex impact of €0.15m

▪ **Q4 and 2020 orders and revenues by product line**

<b>Equipment orders</b> <i>Unaudited / including forex impact / €m - As of December 31</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>2020</b>	<b>2019</b>
Equipment orders received (over the period)	8.10	5.40	18.33	24.04
Equipment order book (end of period)	17.42	14.45	17.42	14.45

<b>Revenues</b> <i>Unaudited / including forex impact / €m - As of December 31</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>Change</b>	<b>Change constant rate</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>	<b>Change constant rate %</b>
Equipment	<b>4.44</b>	4.17	+6.6%	+7.4%	<b>10.91</b>	8.45	+29.1%	+29.5%
Maintenance	<b>3.06</b>	3.30	-7.2%	-4.1%	<b>12.04</b>	10.45	+15.2%	+16.3%
Consumables and associated services	<b>0.16</b>	0.35	-54.4%	-53.7%	<b>0.87</b>	1.19	-26.4%	-26.1%
<b>Total revenues</b>	<b>7.66</b>	7.82	-2.0%	-0.2%	<b>23.83</b>	20.09	+18.6%	+19.3%

▪ **Q4 and 2020 revenues by region**

<b>Revenues</b> <i>Unaudited / including forex impact / €m - As of December 31</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>Change</b>	<b>Change constant rate</b>	<b>2020</b>	<b>2019</b>	<b>Change %</b>	<b>Change constant rate %</b>
EMEA	<b>4.55</b>	3.32	+37.3%	+37.3%	<b>11.02</b>	9.91	+11.2%	+11.2%
APAC	<b>1.96</b>	2.54	-22.8%	-22.8%	<b>5.32</b>	3.83	+39.0%	+39.0%
NAM	<b>1.12</b>	1.93	-41.8%	-34.6%	<b>7.43</b>	6.32	+17.7%	+20.0%
LATAM	<b>0.02</b>	0.03	-18.1%	-18.1%	<b>0.05</b>	0.03	+77.2%	+77.2%
<b>Total revenues</b>	<b>7.66</b>	7.82	-2.0%	-0.2%	<b>23.83</b>	20.09	+18.6%	+19.3%

▪ **Quarterly Sales by Product Line**

<i>Non-audited/ including forex impact /€ million</i>	<b>2020</b>				<b>2019</b>			
<i>As of December 31</i>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Equipment</b>	0.72	2.84	2.90	4.44	0.06	0.72	3.51	4.17
<i>growth vs n-1</i>	1,209%	297%	-17%	6.6%				
<i>growth vs n-1 @ constant rate</i>	1,208%	292%	-16%	7.4%				
<i>in % of Total Revenue</i>	19%	47%	46%	58%				
<b>Maintenance</b>	2.72	3.04	3.22	3.06	2.21	2.45	2.50	3.30
<i>growth vs n-1</i>	23%	24%	29%	-7%				
<i>growth vs n-1 @ constant rate</i>	21%	23%	32%	-4.1%				
<i>in % of Total Revenue</i>	72%	50%	51%	40%				
<b>Consumables and services</b>	0.33	0.14	0.24	0.16	0.32	0.26	0.26	0.35
<i>growth vs n-1</i>	4%	-46%	-5%	-54%				
<i>growth vs n-1 @ constant rate</i>	3%	-46%	-4%	-54.7%				
<i>in % of Total Revenue</i>	9%	2%	4%	2%				
<b>Net Total Revenue</b>	<b>3.77</b>	<b>6.02</b>	<b>6.37</b>	<b>7.66</b>	<b>2.58</b>	<b>3.42</b>	<b>6.27</b>	<b>7.82</b>
<i>growth vs n-1</i>	46%	76%	2%	-2%				
<i>growth vs n-1 @ constant rate</i>	44%	74%	3%	-				

**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 400 system installations in more than 40 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 160 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