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EOS imaging Reports its Full Year 2019 Sales

- *Full year revenues of €21.4m in line with expectations post 2019 commercial cycle change with increased equipment billing in Q4*
 - *Solid growth in recurring revenues (+31%)*
- *Strong commercial interest generated by the launch of EOSedge, with 9 orders received in 2019*

Paris, January 15, 2020 – EOS imaging (Euronext, FR0011191766 - EOSI - Eligible PEA - PME), 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, 2019.

- **€21.4 million total revenues** generated over the year 2019, marked by the change in the commercial cycle¹
 - €9.7m of equipment revenue from the billing of 24 equipment, of which 13 in Q4 2019
 - €11.7m of recurring revenue, +31% growth compared to 2018, fueled by the continued growth of Maintenance, and the start of Advanced Orthopedic Solutions (AOS) revenue
- **€24.0 million equipment orders** booked in 2019 of which €5.4m in Q4 2019
- **€35.7m of comparable commercial performance² (+1% vs. 2018)**
- **Launch in early December of EOSedge, the new generation imaging system**
 - Best-in-class image resolution, optimized dose modulation and accelerated workflow enlarging utilization in musculoskeletal imaging
 - Regulatory approvals in the U.S (FDA), Europe (CE Mark), Canada and Australia
 - 9 EOSedge orders in 2019, of which 2 already installed

Mike Lobinsky, Chief Executive Officer of EOS imaging, commented: *“2019 has been a pivotal year for the company. First, the change in the commercial cycle was a significant step to adapt to industry standards and improve our supply chain and cash management. It had an expected impact on our reported 2019 revenue, and we are pleased to note that billing momentum is improving quarter over quarter on a year-to-date basis. Second, the regulatory approval of EOSedge is a major milestone for EOS imaging. Customers are showing strong interest in this new equipment which fully integrates with our EOS Advanced Orthopedic Solutions. Obviously, the timing of receiving regulatory approval and the launch of EOSedge had a temporary impact on orders in Q4, however we expect a good upturn in orders in H1 2020. We are excited to start 2020 with a comprehensive, best in class offering for orthopedic surgeons and radiologists, and a growing installed base, which together will drive our growth”.*

¹ 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 contributes to the reduction of working capital.

² Commercial performance: Comparable indicator to previous years commercial model, resulting from the addition of recurring sales and equipment orders in the period

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- **Full Year equipment orders temporarily impacted by the launch of new imaging system in the last quarter**

EOS imaging booked 56 equipment orders, representing a total value of €24.04 million over the year 2019, to be compared with €26.47 million in 2018. The softness in equipment orders in the fourth quarter in NAM and EMEA, is related to the launch of EOSedge for which clients need to re-evaluate their investment choice between the two versions of systems now available.

Over the year 2019, ASP increased by +4%, driven by stronger pricing in NAM as well as premium pricing on EOSedge.

In NAM, the growing adoption of the Advanced Orthopaedic Solutions (AOS) composed of 3D Services, EOSapps 3D surgical planning, and EOSlink which delivers the EOS surgical plan into the operating room, is an important milestone for our future development. The recent launch of EOSedge associated with the combined solutions is generating accelerated interest from care providers on which the company intends to capitalize in 2020 and beyond.

In EMEA, the region increased its equipment orders by +4,4% driven by a very good momentum in France and an acceleration in Nordics. The successful first install of EOSedge in Lyon and the very positive feedback we have received from medical professionals has also provided us with a relevant experience base for marketing the new system, representing a solid growth driver for 2020.

In APAC, the 2020 sales dynamic should benefit from both the reorganization of the distribution network in China, which is now beginning to deliver mature projects, and from the regulatory approval of EOSedge recently obtained in Australia with already many interests from major institutions.

Equipment Orders	2019	2018
<i>Non-audited / € million / As of December 31</i>		
EMEA	9.20	8.81
APAC	5.09	5.80
NAM	9.76	11.16
LATAM	-	0.71
TOTAL EQUIPMENT ORDERS	24.04	26.47

- **2019 revenues reflecting the transition to the new commercial cycle**

EOS imaging generated sales revenue of €21.40 million over 2019, of which:

- €9.74 million of equipment sales from the billing of 24 equipment. As anticipated, H2 2019 marked the restart of equipment billing which increased in the last quarter. As a reminder it had been temporarily halted in H1 2019 following the change in the commercial cycle in January 2019.
- €11.66 million of recurring revenues, i.e. +30.7% growth compared to 2018, led by a strong growth in

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maintenance revenues of €10.45 million (+32%), fueled by the growing installed base, and by the acceleration in the Consumables and Services. 14% of the install base customers now have an AOS contract, and most equipment orders booked in 2019 include AOS services, which are to be turned on at time of installation.

Additionally, the company has assessed the outstanding Customer Receivable, and booked a provision of €0.36m relative to receivables from prior years, which will reduce the full year net reported revenue.

Order Book value as of December 31, 2019, is €14.30m, consisting of €24.04m equipment orders taken in 2019, less €9.74m equipment sales delivered since the beginning of the year.

Comparable Commercial performance² over the year reached €35.70 million compared to €35.39m in 2018, representing a +0.9% increase. A performance driven by +9% growth in EMEA offsetting a decrease in APAC (-5%) and the absence of equipment orders in LATAM, while commercial performance in NAM remained stable due to the timing of EOSedge launch.

Revenue by Product Lines <i>Non-audited / Including forex impact³ / € million</i> <i>As of December 31</i>	2019	2018
Equipment	9.74	26.47
Maintenance contracts	10.45	7.93
Consumables and services	1.21	0.99
TOTAL REVENUE	21.40	35.39
Provision on receivable of prior years	(0.36)	
NET TOTAL REVENUE	21.04	35.39
Equipment Order Book at end December	14.30	-
Comparable Commercial Performance ²	35.70	35.39

Revenues by Geographies <i>Non-audited / Including forex impact³ / € million</i> <i>As of December 31</i>	2019	2018
EMEA	10.30	13.38
APAC	3.91	6.38
NAM	7.16	14.93
LATAM	0.03	0.71
TOTAL REVENUES	21.40	35.39

³ Including a €0.37m positive forex impact 2019

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▪ Q4 2019 equipment orders reflecting the December launch of EOSedge

EOS imaging booked 12 new equipment orders during Q4 2019, representing a total value of €5.4 million. This is a temporary consequence of the launch of EOSedge that has led customers to re-assess their purchase in front of a new offering. This slowdown is most visible in the US and is an indication of the strong interest for the new generation. The number of leads generated at RSNA, the world's leading radiology congress which took place just after the FDA clearance at the beginning of December, increased by +116% from last year meeting, further highlighting significant business prospects.

Equipment Orders <i>Non-audited / € million / As of December 31</i>	Q4 2019	Q4 2018
EMEA	2.86	3.90
APAC	1.47	0.46
NAM	1.07	3.01
LATAM	-	-
TOTAL EQUIPMENT ORDERS	5.40	7.37

▪ €9.13m total revenue in Q4 2019 marking the on-going recovery of equipment billing

EOS imaging generated total revenue of €9.13 million over Q4 2019, of which:

- €5.46 million of equipment revenue from the sales of 13 EOS® systems delivered during the quarter, increasing from 2 in Q2 2019 and 9 in Q3 2019
- €3.67 million of recurring revenue, including €3.30 million in maintenance revenue and €0.38 million in Consumables and Services

This significant improvement in reported equipment sales versus H1 2019 is linked to the maturity of the order book built up since January 2019.

Commercial performance² over Q4 2019 amounted to €9.07 million compared to €9.88 million in 2018.

Revenues by Geographies <i>Non-audited / Including forex impact³ / € million</i> <i>As of December 31</i>	Q4 2019	Q4 2018
EMEA	3.70	5.18
APAC	2.62	0.63
NAM	2.78	4.07
LATAM	0.03	-
TOTAL REVENUES	9.13	9.88

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Quarterly Sales by Product Line

Sales / non-audited / € millions As of December, 31		2019				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Equipment sales		0.06	0.72	3.51	5.46	7.56	6.05	5.50	7.37
	Growth versus n-1	-	-88%	-36%	-26%				
	% of total revenue	2%	21%	56%	60%				
Sales of maintenance contracts		2.21	2.45	2.50	3.30	1.72	1.74	2.30	2.17
	Growth versus n-1	28%	41%	9%	52%				
	% of total revenue	86%	71%	40%	36%				
Sales of consumables and services		0.32	0.26	0.26	0.38	0.26	0.21	0.17	0.34
	Growth versus n-1	21%	22%	51%	10%				
	% of total revenue	12%	8%	4%	4%				
Total sales		2.58	3.42	6.27	9.13	9.54	8.00	7.96	9.88
	Growth versus n-1	-73%	-57%	-21%	-8%				

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 engages more than 175 employees. For additional information, please visit www.eos-imaging.com.

EOS imaging is listed on Compartment C of Euronext Paris
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Next financial press release on April 15, 2020: Full-year results and Q1 2020 sales

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