

Press Release

## EOS IMAGING REPORTS 9-MONTH REVENUE UP +32% YEAR-ON-YEAR

*Solid upturn in equipment orders in Q3 2020  
Strengthened cash position at €10.2m*

**Paris, October 14, 2020, 6:00 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 unaudited third quarter revenues ending September 30, 2020.

### THIRD QUARTER AND NINE-MONTHS 2020 HIGHLIGHTS

- **€16.2 million total revenues (+32%) generated over the first 9-months of 2020**
  - **€6.5m in equipment revenues** vs. €4.3m in the first nine-months of 2019<sup>1</sup>  
19 systems delivered in the first 9-months of 2020, including 7 in Q3 2020
  - **€9.7m in recurring revenues**, up +21% compared to 2019, thanks to the continued growth in maintenance activity (+26%), providing an increased resilience to the business model
- **€6.4 million total revenues generated in Q3 2020** (+3.3% vs. Q3 2019 excluding forex impact)<sup>2</sup>
- **€5.4 million of equipment orders recorded over Q3 2020** vs. €5.8m in Q3 2019, close to historical levels
- **Equipment Order Book grows in Q3: €16.1m at September 30, 2020** vs. €13.7m at June 30, 2020
- **Cash position continues to improve at €10.2m as of September 30, 2020** vs. €9.9m at June 30, 2020
- **Confirmed customer interest for EOSedge™ representing 85% of total 9-months 2020 orders in the countries where it is commercialized**

**Mike Lobinsky, CEO of EOS imaging, comments:** *“We were pleased to see installs resume to a steady pace as we came out of the lock down period. In addition, our equipment orders have rebound in Q3, driven by the strong adoption of our new EOSedge system, representing 85% of orders in countries where we are cleared to market. Our cash position has also continued to improve. We believe that the Company is now well positioned to capture further growth in the coming quarters.”*

<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>+1.6% including Forex impact

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

In the third quarter of 2020, EOS imaging booked 12 equipment orders, including 5 EOSedge, for a total of €5.4 million, compared to 14 orders in the third quarter of 2019 and 4 in the second quarter of 2020. Equipment orders have significantly rebound in Q3 2020 thanks to hospitals resuming their investment activities after a first half of the year impacted by Covid-19.

- The EMEA region is showing momentum again with recent significant successes:
  - EOSedge has further entered the German market with an order from the #1 ranked best German public hospital<sup>3</sup> which follows the installation of a 1<sup>st</sup> EOSedge in a private hospital, Asklepios in Hamburg;
  - A new EOSedge order has been booked by a large French university hospital;
  - Romania ordered its first EOS for a pediatric hospital in Bucarest.
- In the U.S., orders resumed in both the hospital and private orthopedic practice market segments. EOSedge interest accelerated in Q3 and continues to be a strong contributor to driving improved global average selling price.
- In Asia Pacific, Q3 2020 was particularly strong with 6 system orders vs. 5 in the previous year and continuous growth in China as well as in Korea.

In the first nine months of 2020, EOS imaging booked a total of 22 equipment orders for a total value of €10.3 million, compared to 44 orders, for a total value of €18.6m in 2019. The decrease is a direct result of the COVID-19 pandemic mostly in H1 2020.

The average selling price continues to increase, driven by the new platform EOSedge.

The order book value reached €16.1m at the end of September 2020 compared to €13.7m at the end of June 2020, as incoming orders exceed deliveries.

▪ **Q3 2020 revenue +3.3% vs. Q3 2019 (excluding Forex effects)**

Q3 2020 revenue increased to €6.4 million<sup>4</sup>, i.e. +3.3%<sup>2</sup> vs Q3 2019 excluding Forex effects, and is composed of:

- €2.9 million in equipment sales resulting from the delivery of 7 systems, vs. €3.5 million in Q3 2019 when 9 systems were delivered. Following lockdown related delays, installations have resumed in Q3 2020.
- €3.5 million in recurring revenues, i.e. +26%, resulting from:
  - €3.2m (+29%) of Maintenance revenue fueled by the continuous expansion of the install base. These revenues have not been impacted by the pandemic as they come from annual contracts;

<sup>3</sup> For 150-300 beds category, source: F.A.Z. Institut

<sup>4</sup> Forex impact of €(-0.10m) on Q3 2020 and €(0.00m) for 9 months 2020

- €0.2m from Consumable and Orthopedic Service revenues, in line vs. previous year, as elective surgeries have resumed in Q3.

Total revenue for the first 9-months of 2020 was €16.2 million (+32%). Equipment sales amounted to €6.5m (+51%) resulting from the billing of 19 systems vs. 11 systems in the first nine-months of 2019. Recurring revenue reached €9.7 million, up +21% compared to last year.

■ **Confirmed customer interest for EOSedge™ and first installation in Australia**

The first nine months of 2020 confirmed customer interest in EOSedge as 11 out of 22 systems ordered were EOSedge. Since the start of the 2020, the EOS imaging innovative new platform represented 85% of the orders in the countries where it is commercialized.

EOSedge entered the Asia-Pacific region, with the first EOSedge installation at Macquarie University Hospital, a leading hospital in Australia.

Since its launch in December 2019, the feedback from the medical community has been unanimously positive, fueling strong market opportunities globally.

■ **Cash position at € 10.2 million as of September 30, 2020**

As of end-September 2020, EOS imaging's cash position amounted €10.2 million, compared to €9.9 million at 30 June 2020. As noted at the time of the publication of the half-yearly results, the increase in cash is driven by maintenance revenues, equipment installations, government measures supporting employment, the on-going reduction of the working capital and cost reduction measures implemented by EOS management.

■ **COVID-19 update and outlook**

As it did for many companies, the COVID-19 pandemic impacted EOS imaging in 2020.

EOS management monitored closely the situation and made timely decisions to ensure the safety of employees and customers while continuing to meet the needs of hospitals and caregivers.

The company benefited from Government programs, designed to provide support during the pandemic.

EOS imaging implemented a cost management plan at the beginning of the year which the company intends to continue, sustainably lowering expenses and contributing to improved profitability.

During the lock-down EOS Marketing and Sales teams made full use of digital technologies to engage with their customers. The Sales team have now regained access to their customers and congresses have resumed virtually. Therefore, the Sales and Marketing activities continue to generate leads and grow the sales pipeline, leveraging the unique benefits of the new EOSedge platform.

■ **Q3 and 9-months 2020 orders and revenues by product line**

<b>Equipment orders</b> <i>Unaudited / including forex impact / €m</i> <i>As of September 30</i>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9M 2020</b>	<b>9M 2019</b>
Equipment orders received (over the period)	5.37	5.82	10.28	18.64
Equipment order book (end of period)	16.11	14.36	16.11	14.36

<b>Revenues</b> <i>Unaudited / including forex impact<sup>4</sup> / €m</i> <i>As of September 30</i>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9M 2020</b>	<b>9M 2019</b>
Equipment	<b>2.90</b>	3.51	<b>6.47</b>	4.28
Maintenance	<b>3.22</b>	2.50	<b>8.98</b>	7.16
Consumables and associated services	<b>0.24</b>	0.26	<b>0.71</b>	0.83
<b>Total revenues</b>	<b>6.37</b>	6.27	<b>16.16</b>	12.27

■ **Q3 2020 and 9-months 2020 revenues by region**

<b>Revenues</b> <i>Unaudited / including forex impact<sup>4</sup> / €m</i> <i>As of September 30</i>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>9M 2020</b>	<b>9M 2019</b>
EMEA	<b>2.72</b>	3.68	<b>6.47</b>	6.60
APAC	<b>1.60</b>	0.93	<b>3.36</b>	1.29
NAM	<b>2.04</b>	1.65	<b>6.31</b>	4.39
LATAM	<b>0.01</b>	0.00	<b>0.03</b>	0.00
<b>Total revenues</b>	<b>6.37</b>	6.27	<b>16.16</b>	12.27

## 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 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 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



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