

## SuperSonic Imagine announces its 2017 results

- Sales of €24.7 million, up +11% (+13% at constant currency rates); strong Services growth of +34%
  - EBITDA of -€6.6 million, a significant improvement of +15.3%
  - Operating result of -€9.9 million, an improvement of +3.8%
    - Improvement in the gross margin on sales to 44.9%

**Aix-en-Provence, France, March 13, 2018** – 6 pm CET. SuperSonic Imagine (Euronext: SSI, FR0010526814, PEA-PME eligible), the highly-innovative ultrasound company, today announces its annual results for the year to December 31, 2017, as approved by the Board of Management on March 12, 2018.

Michèle Lesieur, CEO and President of SuperSonic Imagine, says: “*SuperSonic Imagine is continuing to reduce its operating loss thanks to the combined effect of the growth generated in 2017, good control over its costs and an improvement in the margin. We have a solid cash position enabling us to strengthen our Sales and Marketing teams in preparation for the upcoming launch of our new platform, this will facilitate acceleration of our growth. The improvement in our results confirms the pertinence of the executed strategy and increases our confidence that we will meet the targets defined at the time of our IPO, notably, in terms of break-even EBITDA in 2019. This 2019 EBITDA target is expected to be met thanks to a significant decrease in our losses as a result of an acceleration in our growth, an increase in our gross margin and a reduction in R&D spending following the arrival of the new platform*”.

<i>In thousands of euros</i>	2017	2016	Change (%)
Sales	24,695	22,217	+11.2%
Other revenues	-	1,023	-
<b>Total revenues</b>	<b>24,695</b>	<b>23,240</b>	<b>+6.3%</b>
Cost of sales	-13,608	-12,628	+7.8%
<b>Gross margin</b>	<b>11,088</b>	<b>10,611</b>	<b>+4.5%</b>
<i>Gross margin on sales<sup>1</sup></i>	<i>11,088</i>	<i>9,588</i>	<i>+15.6%</i>
<i>Gross margin on sales (%)<sup>2</sup></i>	<b>44.9%</b>	<b>43.2%</b>	<b>+1.7 pp</b>
Operating expenses	-20,968	-20,883	+0.4%
<b>EBITDA</b>	<b>-6,611</b>	<b>-7,805</b>	<b>+15.3%</b>
<b>Core operating result</b>	<b>-9,880</b>	<b>-10,272</b>	<b>+3.8%</b>
<b>Operating result</b>	<b>-9,880</b>	<b>-10,272</b>	<b>+3.8%</b>
Financial result	-2,405	-221	-
<b>Net profit/loss</b>	<b>-12,247</b>	<b>-10,555</b>	<b>-16.0%</b>

<sup>1</sup> Gross margin on sales = Sales – Cost of sales

<sup>2</sup> Gross margin on sales (%) = Gross margin on sales / Sales

## Solid growth in 2017

SuperSonic Imagine recorded sales of €24.7 million in 2017, up +11% on 2016. At constant currency, sales increased by +13% to €25.1 million.

Product sales were up +9% (+10% at constant currency) and accounted for 88% of total sales.

Service sales recorded strong growth of +34% (+35% at constant currency), accounting for 12% of total sales compared with 10% in 2016.

Taking other revenue – essentially consisting of non-recurrent fees to access the Group's technology – into account, SuperSonic Imagine's total revenues were €24.7 million in 2017.

As of December 31, 2017, SuperSonic Imagine had an installed base of more than 1,900 Aixplorer platforms worldwide.

## Improvement in the gross margin on sales

**The gross margin on sales** improved by 1.7 percentage points, to 44.9% in 2017 from 43.2% in 2016. This improvement was mainly the result of the improvement in the gross margin on Service sales (%), with the gross margin on system sales remaining stable.

## Improvement in the operating result and EBITDA

At December 31, 2017, the core operating result was -€9.9 million (vs. -€10.3 million in 2016), an improvement of +€0.4 million. The weight of the loss on sales improved from -46.2% in 2016 to -40% in 2017.

Operating expenses remained stable at €21.0 million in 2017 (vs. €20.9 million in 2016).

The Company maintained its Research & Development efforts, with €9.8 million invested in 2017, or 39.6% of sales (vs. €9.1 million and 40.8% of sales in 2016).

For the second straight year, there has been a decrease in the weight of Sales & Marketing costs as a percentage of sales. These costs represented 50.0% of sales in 2017 versus 54.0% in 2016.

The proportion of General & Administrative costs decreased to 23.7% of sales in 2017 from 24.5% in 2016, totaling €5.8 million in 2017 versus €5.4 million in 2016.

EBITDA<sup>3</sup> improved by +€1.2 million, with a loss of -€6.6 million in 2017 vs. -€7.8 million in 2016.

## Worsening of the net loss

The financial result worsened by €2.2 million as a result of the following:

- -€0.92 million corresponding to the early repayment of the Norgine loan and to financial interest on a Bpifrance repayable advance for 2010-2016; these were one-off expenses specific to 2017;
- -€0.84 million in exchange rate variations between 2016 and 2017, resulting from an exchange rate profit of €441 thousand in 2016 and exchange rate loss of €400 thousand in 2017;

<sup>3</sup> 2017 EBITDA corresponds to the current operating income, i.e. -€9.9 million, minus taxes of -€724 thousand and amortization and provisions of -€2.5 million. 2017 EBITDA was thus -€6.6 million.

2016 EBITDA correspond to the current operating income, i.e. -€10.3 million, minus taxes of -€379, amortization and provisions of -€2.1 million. 2016 EBITDA was thus -€7.8 million.

- -€0.42 million in additional financial interest, which totaled €1,08 million in 2017 versus €0.66 million in 2016.

Once non-core operating elements and the financial result are taken into account, SuperSonic Imagine posted a net loss of -€12.2 million over the year (vs. -€10.6 million in 2016).

### Improvement in the cash position

At December 31, 2017, the Company had a cash position of €19.0 million (vs. €11.2 million at end-2016), giving a positive net change of €7.8 million as a result of the following factors:

- -€4.6 million cash burn associated with operating activities in 2017 (vs. -€9.0 million in 2016), an improvement of €4.4 million;
- -€8.0 million cash burn associated with investment activities in 2017 (vs. -€5.1 million in 2016), driven by the increase in spending for the next generation of products;
- +€18.9 million additional cash associated with financing operations, notably with a capital increase in June 2017, Venture Loans in March and December 2017 and short-term WCR financing;
- +€2.0 million cash reclassification following the repayment of the Norgine bond loan;
- -€0.5 million impact of currency fluctuations on the cash position.

SuperSonic Imagine had a workforce of 172 staff at December 31, 2017, vs. 161 at end-2016.

Elisabeth Winter, Executive VP and Financial Director of SuperSonic Imagine, adds: *“The main highlights of our 2017 results include the improvement in the operating result and EBITDA and, as we had been anticipating, the worsening of the financial result due to one-off expenses during the year. Regarding the cash position, there was a significant improvement in cash burn associated with operating activities. The receipt of the second €6 million tranche of the Kreos Capital loan at the end of 2017 thus provided us with a cash position of €19 million at the end of 2017, enabling us to continue implementing our development plan”.*

**Next financial press release:** Q1 2018 sales, on April 18, 2018

### About SuperSonic Imagine

Founded in 2005 and based in Aix-en-Provence (France), SuperSonic Imagine is a company that specializes in medical imaging. The company designs, develops and markets a revolutionary ultrasound platform, Aixplorer®, which uses the UltraFast™ technology that can acquire images around 200 times faster than conventional ultrasound systems. In addition to providing exceptional image quality, this unique technology gave rise to several innovations which have changed the paradigm of ultrasound imaging: ShearWave™ Elastography (SWE™), UltraFast™ Doppler technology, Angio PL.U.S – Planewave UltraSensitive™ Imaging and, more recently, TriVu. ShearWave Elastography allows physicians to visualise and analyse the stiffness of tissue in real-time using a reliable, reproducible and non-invasive procedure. This is an important parameter in diagnosing potentially malignant lesions or other diseased tissue. As of today, over 300 publications have demonstrated the value of SWE in the care of patients with a wide range of diseases. The UltraFast Doppler combines colour flow imaging and pulsed wave Doppler into one simple test, providing physicians with the results of both simultaneously, therefore enhancing efficiency. The latest innovation, Angio PL.U.S, provides a higher level of microvascular imaging through significantly improved colour sensitivity and spatial resolution, while maintaining exceptional 2D image quality. SuperSonic Imagine has been granted regulatory clearances for the commercialization of Aixplorer® on the main markets. Since April 2014, the SuperSonic Imagine company has been listed on Euronext (symbol: SSI).

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