

Supersonic Imagine Announces its 2015 Results and Enters Into a Commercial Partnership with Sandhill Scientific in the USA to Take Advantage of the Rapidly Growing Liver Market

Gross margin on sales increased by 1.8 percentage points

Cash position: €29.5 million

Aix-en-Provence, France, March 14, 2016 – SuperSonic Imagine (Euronext: SSI, FR0010526814), the highly innovative ultrasound company, today announces its financial results for the year to December 31, 2015 approved by the Board of Management on March 11th, 2016. In addition, Supersonic Imagine has entered into an agreement with Sandhill Scientific, Inc. to distribute their ultrasound systems with real-time ShearWave™ Elastography (SWE™) for the assessment of liver disease throughout the United States.

FY 2015 Results

<i>In thousands of euros</i>	2015	2014	Change
Sales	20,064	19,761	+2%
Other revenue	1,655	1,819	-9%
Total revenue	21,719	21,580	+1%
Cost of sales	-12,194	-12,364	
Gross margin	9,526	9,216	+3%
<i>Gross margin on sales¹</i>	7,871	7,397	+6%
<i>Gross margin as a %²</i>	39.2%	37.4%	+1.8 pp
Core Operating Results	-11,640	-9,480	
Operating Results	-12,540	-10,784	
Financial Results	-71	-219	
Net Profit/Loss	-12,758	-11,108	

Audited data

In 2015, as indicated in the press release published in January, total sales growth was +2% including an 8% increase in Service revenue. This growth of 2% at current currency equates to a 6% fall at constant currency compared with 2014. This, combined with the increase in operating expenses over the year led to an annual operating loss of €12.5m.

Sales and other revenue

The EMEA (Europe Middle East & Africa) region remains the Company's largest market with annual sales of €8.2m, accounting for 41% of total Group sales. The Americas (United States, Canada, Latin America) sales decreased by 7% to €4.6m in 2015, 23% of total Group sales. The United States accounted for 92% of activity in that region, with sales of €4.3m 2014. Asia recorded strong growth of 16%, with sales totaling €7.2m (vs. €6.2m in 2014) and accounting for 36% of total Group sales. The main driver of this growth was in China, up 47% to €4.6m (vs. €3.2m in 2014).

¹ Gross margin on sales = Sales – Cost of sales

² Gross margin as a % of sales = Gross margin on sales / Sales

Direct sales accounted for 37% of total sales in 2015. Overall direct sales increased by 9% (€7.5 vs. €6.9 in 2014) including a 30% increase in USA direct sales.

In 2015, the Company generated total revenue of €21.7m, similar to 2014 revenue of €21.6m. There was no significant change in Other revenue, which consists of non-recurrent fees to access the Group's technology.

On December 31, 2015, SuperSonic Imagine had an installed base of more than 1,300 Aixplorer[®] systems worldwide, 28% in the Americas, 45% in EMEA countries and 27% in Asia.

Operating results

SuperSonic Imagine's gross margin on sales increased by 1.8 percentage points to 39.2% in 2015 (vs. 37.4% in 2014). This improvement was partly due to the positive effect of the dollar strengthening year over year, as the Company bills almost half of its sales in US dollars.

The Company posted Core Operating Results of -€11.6m in 2015 (vs. -€9.5m in 2014) and thus increased its Core Operating Loss by €2.1m over the year. These are due to the following increases in various areas of expenditure:

- intensification in Research & Development spending (+€0.9m), associated with the acceleration in programs aimed at improving its technology and expanding its clinical indications
- increase in Sales & Marketing expenses (+€0.5m), from the strengthening of its global direct sales force
- increase in General & Administrative costs (+€0.7m).

Taking into account the non-current operational elements and the financial loss, the 2015 Operating Loss was -€12.5m (vs. -€10.8 m in 2014) and the Net Loss was -€12.8m (vs. -€11.1m in 2014).

As of December 31, 2015, the Company had an available cash position of €29.5m (vs. €42.2m as of December 31, 2014).

SuperSonic Imagine had a workforce of 164 staff as of December 31, 2015, compared with 149 on December 31, 2014. This increase reflects the Company's focus regarding on-going innovations and expanding its global presence.

USA Distribution Agreement

In addition to the 2015 results, SuperSonic Imagine announced today it has entered into an agreement with Sandhill Scientific, Inc. to distribute their ultrasound systems with real-time ShearWave[™] Elastography (SWE[™]) for the assessment of liver disease throughout the United States. Pursuant to the terms of the agreement, Sandhill will have the rights to sell the Aixplorer[®] ultrasound system to Gastroenterologists and Hepatologists, as of March 14th, 2016. SuperSonic Imagine's direct sales force in the USA will continue to target radiology, breast and other clinical segments.

Based in Highlands Ranch, Colorado, Sandhill Scientific is a global leader in Gastrointestinal (G.I.) Diagnostic solutions. With a long and rich history, Sandhill has produced many of the innovations used today to help clinicians enhance the diagnostic yield of G.I. testing. This partnership combines SuperSonic Imagine's expertise in ultrasound with Sandhill's recognized leading position in G.I. Diagnostics.

"We are excited about this collaboration and to support SuperSonic Imagine's continued growth in the United States; we are convinced that this technology will be rapidly adopted by the market segment" said Stuart Wildhorn, Vice President and General Manager of Sandhill Scientific. "This partnership will allow us to leverage our market experience by providing customers with a superior technology for the screening, staging and monitoring of patients with chronic liver disease."

ShearWave Elastography is a 60-second non-invasive exam that provides a quantitative color-coded map to visualize and quantify tissue stiffness during an examination. Liver stiffness increases with the severity of liver fibrosis, making it a key parameter for physicians to determine the advancement of fibrosis.

Liver diseases, such as chronic hepatitis C, chronic hepatitis B, nonalcoholic fatty liver disease (NAFLD) and cirrhosis are a serious health issue in the United States. Over 70 international publications have demonstrated the reliability and effectiveness of SuperSonic Imagine's SWE to assess the severity of chronic liver disease including hepatitis B, C. and NAFLD. Liver biopsy has traditionally been considered the standard for assessing liver fibrosis severity; however, this invasive method has major drawbacks, including significant incidence of morbidity, procedure and hospitalization costs, and clinical shortcomings.^{1,2}

1. Sampling error and intraobserver variation in liver biopsy in patients with chronic HCV infection. Regev A, Berho M, Jeffers LJ, Milikowski C, Molina EG, Pylsopoulos NT, Feng ZZ, Reddy KR, Schiff ER. Am J Gastroenterol. 2002 Oct;97(10):2614-8. Sources of variability in histological scoring of chronic viral hepatitis. Rousselet MC, Michalak S, Dupré F, Croué
2. A, Bedossa P, Saint-André JP, Calès P; Hepatitis Network 49. Hepatology. 2005 Feb;41(2):257-64.

2016 outlook

Bernard Doorenbos, SuperSonic Imagine's Chief Executive Officer, stated: "We are pleased to partner with Sandhill's highly motivated sales team and leverage their expertise working with gastroenterologists and hepatologists in order to extend our sales presence throughout the USA. This agreement is another step forward in bringing advanced ultrasound technology to help those suffering from liver diseases, reduce the number of unnecessary biopsies which lowers healthcare costs, and ultimately improves patient outcomes. We are aware of Supersonic Imagine's company underperformance in 2015 and have undertaken strong measures to improve our internal organization and our commercial strategy in order to expand our presence in two high value markets, breast and liver. More than ever we are determined to intensify our efforts to return to a growth level in line with our shareholders' expectations as well as ours."

Next press release: Q1 2016 sales, on April 19, 2016.

About Sandhill Scientific

Sandhill Scientific, Inc., a Medovations Company, was founded in 1982, and is headquartered in Highlands Ranch, Colorado. Sandhill is renowned for the innovation, manufacture and distribution of state-of-the-art high resolution impedance manometry systems for both esophageal and anorectal applications, as well as market-leading products for impedance/pH reflux monitoring. Sandhill is also the exclusive distributor to gastroenterologists and hepatologists in the United States for the Aixplorer® Ultrasound System: the 60 second ShearWave™ Elastography exam for screening, staging and monitoring of liver disease. For further information, visit Sandhill's website at <http://sandhillsci.com>.

About SuperSonic Imagine

Founded in 2005 and based in Aix-en-Provence (France), SuperSonic Imagine is a company specializing in medical imaging. The company designs, develops and markets a revolutionary ultrasound system, Aixplorer®, with an UltraFast™ platform that can acquire images 200 times faster than conventional ultrasound systems. Aixplorer® is the only system that can image two types of waves: ultrasound waves ensure excellent image quality and shear waves, which allow physicians to visualize and analyse the stiffness of tissue in a real-time, reliable, reproducible and non-invasive manner. This innovation, ShearWave™ Elastography, significantly improves the detection and characterization of numerous pathologies in several applications including breast, thyroid, liver and prostate. SuperSonic Imagine has been granted regulatory clearances for the commercialization of Aixplorer® in the main global markets. For more information about SuperSonic Imagine, please go to www.supersonicimagine.com.

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