

SuperSonic Imagine announces its 2016 results and presents its financing strategy

- Substantial improvement in the operating result (-€10.3m)
- Annual growth driven by China (+25%) and France (+21%)
 - Improvement in the gross margin on sales to 43.2%
 - Venture loan obtained, principles of a capital increase

Aix-en-Provence, March 14, 2017 – 9:00 pm (CET) - SuperSonic Imagine (Euronext: SSI, FR0010526814, PEA-PME eligible), a company specialized in ultrasound medical imaging, today announces its financial results for the year ending December 31, 2016, as approved by the Board of Management on March 13, 2017.

Michèle Lesieur, CEO and President of SuperSonic Imagine, comments: “*The growth recorded in 2016, combined with our tight control over operating expenses and the improvement in our margins, enabled us to generate a substantial improvement in our operating result. Our teams have done a great job in implementing our new strategy focusing on clinical segments with strong potential and to rapidly obtain the first results. The financing we are announcing today, along with the continuous improvement in our performance, should provide us with additional financial means to strengthen our commercial footprint and our R&D activities. In 2016, we began to refocus our activities and we now intend to pursue this momentum to achieve the objectives as defined at the time of our IPO - hereunder to break even in terms of EBITDA in 2019.*”

<i>In thousands of euros</i>	2016	2015*	Change (%)
Sales	22,217	20,064	+10.7%
Other revenue	1,023	1,655	-38.2%
Total revenue	23,240	21,719	+7.0%
Cost of sales	-12,628	-11,495	
Gross margin	10,611	10,224	+3.8%
<i>Gross margin on sales¹</i>	9,588	8,569	+11.9%
<i>Gross margin as a % of sales²</i>	43.2%	42.7%	+0.5 pp
Operating expenses	-20,883	-21,864	
Core operating result	-10,272	-11,640	-
Operating result	-10,272	-12,540	-
Financial result	-221	-71	-
Net profit/loss	-10,555	-12,758	-

¹ Gross margin on sales = Sales – Cost of sales

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

* Presentation reclassifications have been carried out in the income statement, which thus indicates different figures at December 31, 2015 than previously published.

As indicated when the Company published its 2016 annual sales in January, SuperSonic Imagine recorded growth of +11% in 2016, reflecting the very first definitive results from the strategic refocusing defined in late 2015, based on clinical indications with greater potential (liver and breast). Furthermore, the Company saw its Services activity improve every quarter.

Taking other revenue – essentially consisting of non-recurrent fees to access the Group's technology – into account, SuperSonic Imagine's total revenue was €23.2 million in 2016, up +7% compared with the figure at December 31, 2015.

As of December 31st, 2016, SuperSonic Imagine had an installed base of more than 1,600 Aixplorer systems worldwide, a growth of over 20% compared with December 31, 2015. The breakdown in this installed base was as follows: 47% in EMEA countries, 29% in Asia and 24% in the Americas.

Substantial improvement in the operating result

The gross margin on sales improved by 0.5 pp to 43.2% in 2016 from 42.7% in 2015. This improvement was a result of the 1.0% increase in the gross margin on platform sales, thanks to the improvement in product cost prices offsetting a slight decrease in selling price.

As of December 31st, 2016, the core operating loss was €10.3 million (vs. €11.6 million in 2015), an improvement of €1.3 million thanks to the substantial efforts undertaken to reduce operating expenses for the first time since the IPO. Thus the expenses were reduced to €20.9 million in 2016 from €21.9 million in 2015, i.e. a reduction of €1.0 million. The operating loss over sales ratio thus saw a strong improvement to 46.2% (vs. 62.5% in 2015).

The Company is maintaining its Research & Development efforts, with €9.1 million invested in 2016, or 40.8% of sales (vs. €9.2 million and 45.9% of sales in 2015).

The Company improved its Sales & Marketing efficiency. The proportion of the latter decreased from 61.0% in 2015 to 54.0% of sales in 2016, with expenses totaling €12.0 million in 2016 compared with €12.2 million in 2015.

The proportion of General & Administrative costs decreased significantly to 24.5% of sales in 2016 vs. 29.5% in 2015, to €5.4 million in 2016 from €5.9 million in 2015.

Once non-current operational elements and the financial loss are taken into account, SuperSonic Imagine recorded an Operating Loss of €10.3 million in 2016 (vs. €12.5 million loss in 2015) and a Net Loss of €10.6 million in 2016 (vs. €12.8 million loss in 2015), i.e. an improvement of €2.2 million.

EBITDA³ improved by €2.5 million, with a loss of €7.8 million in 2016 versus €10.3 million loss in 2015.

As of December 31st, 2016, the Company had a cash position of €11.3 million (vs. €29.5 million at end 2015). Cash burn was €18.2 million in 2016, and broke down as follows:

- €9.0 million cash burn associated with operating activities in 2016 (vs. €10.7 million in 2015), an improvement of €1.7 million;
- €5.1 million cash burn associated with investment activities in 2016 (vs. €4.0 million in 2015), driven by the increase in spending for the next generation of products;
- €3.8 million cash burn associated with financing activities ;
- €0.3 million cash burn associated with an effect of exchange rate fluctuations on cash.

SuperSonic Imagine had a workforce of 161 staff as of December 31st, 2016, versus 164 at the end 2015.

³ 2016 EBITDA corresponds to the net loss of €10,555 thousand, to which is added back net financial expense of €221 thousand, tax expense of €441 thousand, and depreciation, amortisation and provisions of €2,088 thousand (€2,598 thousand of depreciation and amortisation less €510 thousand of capitalised costs). 2016 EBITDA therefore amounts to a loss of €7,805 thousand. 2015 EBITDA corresponds to the net loss of €12,758 thousand, to which is added back net financial expense of €71 thousand, tax expense of €731 thousand, and depreciation, amortisation and provisions of €1,649 thousand (€2,118 thousand of depreciation and amortisation less €469 thousand of capitalised costs). 2015 EBITDA therefore amounts to a loss of €10,307 thousand.

Additional financial resources made available

In order to accelerate its growth strategy, SuperSonic Imagine has decided to acquire additional financial resources, via today's granting of a Venture Loan and the announcement of a planned capital increase.

Regarding the Venture Loan from Kreos Capital V (UK) Limited ("Kreos")

The Venture Loan from Kreos, in a total amount of €12 million, consists of two tranches of bonds with warrants attached ("OBSAs") of €6 million each, and will enable SuperSonic Imagine to finance its commercial development and repay some of its existing debts.

The first tranche was subscribed on March 13th, 2017 at the outcome of the management board meeting.

The terms and conditions of the Venture Loan are as follows:

- the loan has a term of 42 months and bears interest at an annual rate of 10.75%,
- SuperSonic Imagine is providing the usual security,
- the first tranche of 6,000,000 OBSAs is being issued with preferential subscription rights waived for the benefit of Kreos under the grant of authority given to the management board by resolution 14 of the combined general shareholders' meeting of June 24, 2016,
- the second tranche of 6,000,000 OBSAs will be issued by December 31st, 2017 at the management board's request, subject to authorization by the supervisory board and the completion of the planned capital increase described below,
- each warrant will entitle its holder to subscribe a number of shares calculated as follows (the "**Exercise Ratio**"):
 -

$$R = [(1,320,000 / P) * \{ 0.5 + [0.5 * (N_{OBSA} / 12,000,000) \}] / N_{OBSA}$$

where:

- R is the Exercise Ratio
- P is the volume-weighted average price of the Company's shares on NYSE Euronext's Paris market during the period of 90 days before the date on which the OBSAs are issued, and
- N_{OBSA} is the number of OBSAs subscribed by warrant holder on the date the warrants are exercised.

Accordingly, each warrant-holder will be able to subscribe a number of shares ("**N**") equal to the result of the following formula:

$$N = R * N_{BSA}$$

Where:

- R is the Exercise Ratio and
- N_{BSA} is the number of warrants held by the warrant-holder concerned.

The maximum dilution caused by the warrants attached to the first tranche of bonds represents 473,684 shares and a total maximum amount of €989,999.56.

A shareholder holding 1% of the share capital prior to the issue would hold approximately 0.96% of the share capital following the exercise of all the warrants attached to the two tranches on the basis of a "P" price of €2.09.

- A representative of Kreos will be entitled to take part in SuperSonic Imagine's supervisory board meetings as a board advisor ("*censeur*").

Regarding the planned capital increase

SuperSonic Imagine considers otherwise, during the first half of 2017, to carry out a capital increase in the form of a public offering with maintained preferential subscription rights for a total of between €7 and €10 million (premium included), subject to market conditions and the grant of a visa from the "Autorité des Marchés Financiers" on the prospectus. This issuance should be supported by Bpifrance and Edmond de Rothschild Investment Partners, long standing shareholders of the Company, that have already expressed the intention to participate for at least half of this operation in order to facilitate its implementation. SuperSonic Imagine will soon hold a Shareholders' Meeting in order to enable the launch of this operation.

Elisabeth Winter, Executive VP and Finance Director of SuperSonic Imagine, says: "*Beyond our positive 2016 results versus prior year, the Company is strengthening its financial means via the new venture loan with Kreos Capital and the project of a capital increase supported by its longstanding shareholders. This additional financing will enable us to carry out the necessary investments in Research & Development as well as on the sales front. They will be backed by the setting up of short-term financings in order to optimize the financing of our working capital requirements and thus ensure the Company's growth.*"

Next financial press release: Q1 2017 sales, on April 20, 2017

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. In addition to providing exceptional image quality, this unique technology is the foundation of several innovations which have changed the paradigm of ultrasound imaging: ShearWave™ Elastography (SWE™), UltraFast™ Doppler, Angio PL.U.S – Planewave UltraSensitive™ Imaging and more recently TriVu. ShearWave Elastography allows physicians to visualize and analyze the stiffness of tissue in a real-time, reliable, reproducible and non-invasive manner. This criteria has become an important parameter in diagnosing potentially malignant tissue or other diseased tissue. As of today, over 300 peer-reviewed publications have demonstrated the value of SWE for the clinical management of patients with a wide range of diseases. UltraFast Doppler combines Color Flow Imaging and Pulsed Wave Doppler into one simple exam, providing physicians with exam results simultaneously and helping to increase patient throughput. The latest innovation, Angio PL.U.S, provides a new level of microvascular imaging through significantly improved color sensitivity and spatial resolution while maintaining exceptional 2D imaging. SuperSonic Imagine has been granted regulatory clearances for the commercialization of Aixplorer in key global markets. SuperSonic Imagine is a listed company since April 2014 on the Euronext, symbol SSI. For more information about SuperSonic Imagine, please go to www.supersonicimagine.com.

Contact information: SuperSonic Imagine

Marketing & Communication
Emmanuelle Vella
emmanuelle.vella@supersonicimagine.com
+33 4 86 79 03 27

NewCap

Investor Relations – EU
Pierre Laurent / Florent Alba supersonicimagine@newcap.fr
+33144719855

Pascale Communication

Media Relations - US
Amy Phillips
amy@pascalecommunications.com
+1 412 327 9499

Disclaimer

This press release and the information it contains are not intended to constitute, and should not be construed as an offer to sell or a solicitation to buy or subscribe to any SuperSonic Imagine securities, in any jurisdiction. Any public offering of SuperSonic Imagine securities would be made by means of a prospectus previously approved by the AMF that contains detailed information about SuperSonic Imagine.

The disclosure, distribution and publication of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and comply with any such restrictions. SuperSonic Imagine takes no responsibility for any violation of any restrictions by any person. In particular, securities may not be offered or sold in the United States absent registration or an exemption from registration under the US

NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA AND JAPAN

Securities Act of 1933, as amended. SuperSonic Imagine does not intend to register securities or conduct a public offering in the United States.

Forward-Looking Statements

This press release contains certain forward-looking statements relating to the business of SuperSonic Imagine, which shall not be considered *per se* as historical facts, including the ability to manufacture, market, commercialize and achieve market acceptance for specific projects developed by SuperSonic Imagine, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of SuperSonic Imagine are consistent with the forward-looking statements contained in this press release, those results or developments of SuperSonic Imagine may not be indicative of their in the future.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. Although the management of SuperSonic Imagine believes that these forward-looking statements are reasonably made, they are based largely on the current expectations of SuperSonic Imagine as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of SuperSonic Imagine could be affected by, among other things, uncertainties involved in unexpected regulatory actions or delays related notably to building and operating permits and renewable support policies, competition in general or any other risk and uncertainties developed or identified in any public documents filed by SuperSonic Imagine with the AMF, included those listed in chapter 4 "Risk factors" of the 2015 *document de référence* approved by the French financial market authority (the *Autorité des marchés financiers* – the "AMF") on April 28, 2016 under number R.16-038. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be "accurate, precise and fairly presented"), SuperSonic Imagine is providing the information in these materials as of this press release, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.