

## SuperSonic Imagine announces its results for the first half of 2017

- Strong sales growth of +16%
- Substantial 6.2 pp improvement in the gross margin on sales (to 46%)
  - 7% increase in the operating result (-€5.8 million)

**Aix-en-Provence, September 12, 2017** – 6 pm CEST – SuperSonic Imagine (Euronext: SSI, FR0010526814, PEA-PME eligible), the highly-innovative ultrasound company, today announces its financial results for the first half ended June 30, 2017 as approved by the Management Board on September 8, 2017.

<i>In thousands of euros</i>	H1 2017	H1 2016	Change (%)
Sales	10,292	8,859	+16%
Other revenue	-	561	-
<b>Total revenue</b>	<b>10,292</b>	<b>9,420</b>	<b>+9%</b>
Cost of sales	-5,556	-5,330	
<b>Gross margin</b>	<b>4,736</b>	<b>4,090</b>	<b>+16%</b>
<i>Gross margin on sales<sup>1</sup></i>	4,736	3,529	+34%
<i>Gross margin on sales (%)<sup>2</sup></i>	46.0%	39.8%	+6.2 pp
Operating expenses	-10,516	-10,329	+2%
<b>Core operating result</b>	<b>-5,780</b>	<b>-6,239</b>	<b>+7%</b>
<b>Operating result</b>	<b>-5,780</b>	<b>-6,239</b>	<b>+7%</b>
Financial result	-1,599	-397	-
<b>Net profit/loss</b>	<b>-7,391</b>	<b>-6,690</b>	<b>-10%</b>

*Audited accounts*

### Double-digit growth for the fourth straight quarter

As indicated in July's first-half sales press release, SuperSonic Imagine recorded growth of +16% to €10.29 million in H1 2017, driven by sales of Products (+15%) and Services (+27%).

Over this first half, China continued to record buoyant growth (+33% to €3.17 million vs. €2.39 million), followed by France (+18% to €2.25 million vs. €1.91 million), while the United States slipped 10% (to €1.35 million vs. €1.5 million). In regional terms, the EMEA and Asia zones grew by +22% to €4.72 million (vs. €3.86 million) and +25% to €4.16 million (vs. €3.32 million) respectively. The Americas fell by 16% to €1.41 million (vs. €1.68 million). When other revenue, essentially consisting of non-recurrent fees to access the Group's technology, is taken into account, SuperSonic Imagine's total revenue for the first six months of 2017 was €10.3 million, up +9% compared with the same period of 2016.

### Substantial improvement in the gross margin

As a percentage, the gross margin on sales improved by 6.2 percentage points to 46% in the first half of 2017, from 39.8% in H1 2016. In value terms, the gross margin on sales was €4.7 million versus €3.5 million in the same two periods, and was thus up +34%.

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

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

This improvement was due to a number of factors: an improvement in the average selling price, a better geographical mix, a decrease in the cost price of products and services and a reduction in charges.

### **Improvement in the operating result and EBITDA**

As of June 30<sup>th</sup>, 2017, the core operating loss was €5.8 million (vs. -€6.2 million), an improvement of €0.5 million. The operating loss over sales ratio thus saw a substantial improvement to 56% versus 70% a year earlier.

Operating expenses were stable in the first half of 2017, at €10.5 million (vs. €10.3 million). This slight increase of +€0.2 million between the two periods was mainly a result of the intensification of Research & Development costs in accordance with the phasing of the development of the next ultrasound platform.

EBITDA<sup>3</sup> improved by €0.5 million, with a loss of €4.4 million at June 30, 2017 versus -€4.9 million at June 30, 2016.

### **Net result principally affected by the early repayment of the Norgine loan**

In the first half, the financial result decreased by €1.2 million because of the following elements:

- €717 thousand corresponding to the early repayment of the Norgine loan, thus constituting exceptional expenses specific to the first half of 2017;
- €216 thousand corresponding to the increase in the financing of working capital requirements (WCR), notably client receivables and research tax credit. This short-term financing, which will continue, was put in place in order to optimize the financing of WCR and secure the Company's growth;
- €270 thousand corresponding to a greater foreign exchange loss than during the corresponding period last year.

Once this financial loss is taken into account, SuperSonic Imagine posted a net loss of -€7.4 million as of June 30<sup>th</sup> 2017 (vs. -€6.7 million year on year).

### **Improvement in the cash position**

As of June 30<sup>th</sup>, 2017 the Company had a cash position of €22.4 million (vs. €11.3 million on December 31<sup>st</sup>, 2016), i.e. a €11.1 million improvement, which broke down as follows:

- -€3.4 million cash burn associated with operating activities in H1 2017 (vs. -€6.9 million in H1 2016), an improvement of €3.4 million;
- -€4.0 million cash burn associated with investment activities in H1 2017 (vs. -€3.2 million in H1 2016), driven by the increase in spending for the next generation of products;
- +€16.8 million additional cash associated with financing operations in H1 2017, with a capital increase in June 2017, a Loan Venture in March 2017 and short-term WCR financing;
- +€2.0 million cash reclassification following the repayment of the Norgine bond loan;
- -€0.3 million impact of currency fluctuations on the cash position.

Michèle Lesieur, CEO and President of SuperSonic Imagine, comments: *"The solid growth generated over this first half, the substantial improvement in our gross margin and the ability to keep operating costs under control while continuing to invest heavily in R&D all confirm the effectiveness of our*

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<sup>3</sup> EBITDA as of June 30, 2017 corresponds to the net loss of €7.39 million, to which is added back net financial expense of €1.599 million, tax expense of €210 thousand, and depreciation, amortization and provisions of €1.18 million (€1.34 million of depreciation and amortization less €165 thousand of capitalized costs). EBITDA as of 30 June 2017 therefore amounts to a loss of €4.4 million. EBITDA as of June 30, 2016 corresponds to the net loss of €6.690 million, to which is added back net financial expense of €397 thousand, tax expense of €246 thousand, and depreciation, amortization and provisions of €1.139 million (€1.277 thousand of depreciation and amortization less €138 thousand of capitalized costs). EBITDA as of June 30, 2016 therefore amounts to a loss of €4.9 million.

*development plan. These improvements illustrate the pertinence of our commercial and market-access strategies, and reward the work undertaken by our teams. We are not changing our guidance related to break even EBITDA in 2019.”*

Elisabeth Winter, Executive VP and Financial Director of SuperSonic Imagine, adds: *“We are pleased with the improvement in our operating result generated by solid growth and cost-optimization efforts. The significant worsening of our first-half financial loss was essentially due to the one-off early reimbursement of the Norgine loan. Regarding our cash position, we are seeing a substantial improvement in cash burn associated with operating activities. Furthermore, the realization of the capital increase and additional financing are allowing us to actively continue implementing our development plan.”*

**Next financial press release:** Q3 sales, on October 18, 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](http://www.supersonicimagine.com).

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