

## SuperSonic Imagine announces its 2019 first-half results

- Half-year revenues up +6% to €11.9 million, further very buoyant growth in China (+42%) in H1 2019
- Operating expenses rise to €10.9 million to support H2 2019 sales growth
- 13% improvement in EBITDA to -€3.2 million
- Very strong improvement in cash burn; cash position of €3.1 million at June 30, 2019
- Offer received from the Hologic group to acquire 100% of the Company's capital for a price of 1.50 euros per share
- End of the legal dispute between SuperSonic Imagine and US company Verasonics

**Aix-en-Provence, July 30, 2019 – 08:00 am CEST** - SuperSonic Imagine (Euronext, FR0010526814 – SSI - PEA-PME eligible), a company specialized in ultrasound medical imaging (ultrasound), today announces its financial results for the first half of the year to June 30, 2019.

**Michèle Lesieur, Chief Executive Officer of SuperSonic Imagine**, comments: *"The first half of 2019 was marked by the offer received from the Hologic group with a view to acquiring 100% of SuperSonic Imagine's capital for a price of 1.50 euros per share. This acquisition project would allow the Company to have the necessary financial resources to accelerate its growth, notably on the American market, while continuing to invest in innovation and in improving our operational excellence. Regarding our commercial performances over the first six months of the year, China is continuing to drive SuperSonic Imagine's sales growth with a very buoyant increase in sales, while the United States recorded a first half below expectations. The substantial improvement in our gross margin, thanks to sales of the new generation ultrasound platform, led to an improvement in EBITDA. In this context, we confirm our objective of a very strong improvement in our EBITDA at the end of 2019, but the achievement of operating profitability (EBITDA) seems to be at risk following the decline in revenue recorded in the second quarter"*.

Accounts in thousands of euros	H1 2019	H1 2018	Change (%)
Sales	11,792	11,180	+5%
Other revenue	82	-	-
<b>Total revenue</b>	<b>11,874</b>	<b>11,180</b>	<b>+6%</b>
Cost of sales	-6,206	-6,619	-6%
<b>Gross margin</b>	<b>5,668</b>	<b>4,561</b>	<b>+24%</b>
Gross margin on sales <sup>1</sup>	5,586	4,561	+22%
Gross margin on sales (%) <sup>2</sup>	47.4%	40.8%	+6.6 pp
Operating expenses	-10,857	-9,936	+9%
<b>Core operating result</b>	<b>-5,188</b>	<b>-5,374</b>	<b>-3%</b>
<b>EBITDA<sup>3</sup></b>	<b>-3,243</b>	<b>-3,735</b>	<b>-13%</b>
<b>Operating result</b>	<b>-12,740</b>	<b>-6,202</b>	<b>x 2,0</b>
Financial result	-1,145	-923	+24%
<b>Net profit/loss</b>	<b>-13,891</b>	<b>-7,179</b>	<b>+93%</b>

The accounts were subject to a limited review.

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

<sup>2</sup> Gross margin on sales (%) = (Gross margin on sales / Sales) x 100.

<sup>3</sup> EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization.

### Good sales momentum, with revenue increasing by +6% to €11.9 million

SuperSonic Imagine recorded sales of €11.8 million in the first half of 2019, up +5%. Moreover, the Company recorded revenue of €82 thousand from the industrial partnership formed with an American company in 2018. Total revenue was thus €11.9 million, up +6%. Commercial activity was directly impacted by the announcement of the Hologic group's offer, as many distributors have postponed their orders.

Products sales totaled €9.9 million, up +4%, while Services sales increased by +11% to €1.9 million and accounted for 16% of first-half sales.

In the first half of 2019, China maintained a very high rate of growth (+42%) and accounted for more than a half of the Group's revenue. France saw a return to growth (+3%) after a transitional year in 2018 impacted by the marketing of the new Aixplorer MACH 30 platform, while the United States recorded a first half below expectations with sales falling 32%.

Globally, sales were up +30% in Asia but down -8% and -34% in the EMEA zone and the Americas respectively.

### Gross margin on sales of 47.4%

The gross margin on sales improved significantly, to 47.4% in H1 2019 from 40.8% in H1 2018. The gross margin on equipment sales was up sharply (+11.2 pp), 8.2 pp of this being a result of the marketing of our new Aixplorer MACH 30 product and 3 pp of the reversal of a provision. Indeed, this new platform has been designed to optimize its cost price. On the other hand, the gross margin on Services sales was down, essentially due to the increase in provisions on inventories of spare parts.

### Improvement in EBITDA and the core operating result

In the first half of 2019, operating expenses increased by +9%, to €10.9 million (vs. €9.9 million in 2018).

R&D expenses increased to €2.1 million from €1.6 million. Sales and Marketing costs increased by almost 10% compared with the first half of 2018, to €5.8 million. These marketing investments were undertaken to support sales growth through the remainder of the year.

Thanks to good control of the cost base, General and Administrative costs fell by 12% to €2.1 million. Transaction fees totaled €0.8 million, compared with €0.7 million for the same period of 2018.

At June 30, 2019, the core operating result improved by +€0.2 million, to -€5.2 million (vs. -€5.4 million in the first half of 2018).

All in all, EBITDA<sup>4</sup> improved by 13%, or +€0.5 million, with a loss of -€3.2 million at June 30, 2019 versus a loss of -€3.7 million in June 2018.

### Downturn in the operating result and net result, impacted by two exceptional expenses

The operating result was affected by two exceptional expenses:

- €5.2 million associated with the financial transaction and external costs incurred within the settlement of the legal dispute with Verasonics;
- €2.3 million related to expenses incurred in connection with the proposed acquisition of SuperSonic Imagine by Hologic, Inc.

The operating loss was thus -€12.7 million, versus -€6.2 million in H1 2018.

The financial result was -€1.1 million and consisted mainly of interest on financial debt.

All in all, the net loss for the first half of 2019 was -€13.9 million, versus -€7.2 million for the first half of 2018.

Excluding exceptional elements, the net loss over the period was -€6.3 million, similar to the loss of -€6.4 million recorded in the first half of 2018.

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\* EBITDA at June 30, 2019 corresponds to the core operating loss, i.e. -€5.2 million, restated for taxes of -€457 thousand and amortization / provisions of -€1.5 million. EBITDA at June 30, 2019 was thus -€3.2 million.

## Very strong improvement in cash burn; cash position of €3.1 million at June 30, 2019

At June 30, 2019, the Group's cash position stood at €3.1 million, vs. €8.6 million at December 31, 2018, giving net cash burn of €5.5 million, a substantial improvement on the first half of 2018 (which saw cash burn of €10.3 million).

Cash burn was also very strong, with a monthly improvement of €0.9m over the first half of the year, compared with €1.7m in H1 2018.

Net cash burn broke down as follows:

- -€3.2 million cash burn associated with operating activities in H1 2019 (vs. -€6.6 million in H1 2018). The €3.6 million reduction in cash burn principally came from:
  - €0.7 million improvement in inventories;
  - €1.6 million improvement in trade and other receivables;
- -€3.2 million cash burn associated with investment activities in H1 2019 (vs. -€3.5 million in H1 2018); the €0.3 million reduction in cash burn was a result of the decrease in R&D investments, and notably investments in fixed assets for the industrialization of the new platform.
- +€0.8 million cash associated with financing operations in H1 2019 (vs. -€0.2 million in H1 2018).

**Next financial press release:** Q3 2019 sales, on October 16, 2019

### About SuperSonic Imagine

SuperSonic Imagine is a medical technology company (Medtech) specialized in ultrasound imaging. The company designs, develops and markets an ultrasound platform whose exclusive ultrafast technology (UltraFast™) has given rise to new imaging methods, which have now become standards in the non-invasive care path for the characterization of breast, liver or prostate diseases. The first innovative mode UltraFast™ is ShearWave® elastography (SWE™), which allows doctors to instantly visualize and analyze tissue hardness, which is critical information for the diagnosis of many pathologies. To date, more than 600 publications have validated the benefits of its technologies. The latest addition to the Aixplorer® range, Aixplorer MACH® 30 introduces a new generation of imaging UltraFast™ allowing the optimization of all innovative imaging modes: ShearWave PLUS, UltraFast Doppler, Angio PL.U.S, TriVu. With more than 2,300 ultrasound platforms installed worldwide, SuperSonic Imagine is present in more than 80 countries and its main markets are China, the United States and France. In 2018, the company generated revenues of €24.6 million. SuperSonic Imagine is a company listed on Euronext (symbol: SSI). For more information, visit [www.supersonicimagine.fr](http://www.supersonicimagine.fr).

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