

## SuperSonic Imagine announces its 2020 results

- **2020 revenue of €19.2 million, down 28%, impacted by the health crisis on the Group's 3 key markets**
- **Reduction in the net loss to €19.9m despite a deterioration in EBITDA and current operating income of €7.7m**
- **Cash position of €2.4 million at December 31, 2020**

**Aix-en-Provence, February 11, 2021** - 6.00 pm CET - SuperSonic Imagine (Euronext Growth: ALSSI, FR0010526814, PEA-PME eligible, the “Company”), a company specializing in ultrasound medical imaging, today announces its annual results for the year to December 31, 2020, as approved by the Board on February 10, 2021.

**Antoine Bara, General Manager**, says: “2020 was marked by the pandemic associated with Covid-19, the health crisis having impacted all the markets on which the Group operates. The company thus saw a reduction in activity on its three key markets: China, France and the United States. In a context that remains extremely uncertain, the Group will continue to closely monitor the epidemic’s progress in each of the geographical zones concerned and to apply the necessary measures to protect its members of staff, clients and partners while remaining attentive in order to seize any growth opportunities. I would like to thank our teams for their unwavering commitment and our clients for their trust and loyalty”.

<i>Audited consolidated accounts in thousands of euros*</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Sales	17,175	26,411	-35%
Other revenue	2,058	343	-
<b>Total revenue</b>	<b>19,233</b>	<b>26,754</b>	<b>-28%</b>
Cost of sales	(10,501)	(14,303)	-27%
<b>Gross margin</b>	<b>8,732</b>	<b>12,451</b>	<b>-30%</b>
<i>Gross margin on total revenue (%)<sup>1</sup></i>	<i>45.4%</i>	<i>46.5%</i>	<i>-1.1 pp</i>
Operating expenses	(24,893)	(20,878)	+19%
<b>Core operating result</b>	<b>(16,161)</b>	<b>(8,426)</b>	<b>-92%</b>
<b>EBITDA</b>	<b>(12,716)</b>	<b>(4,887)</b>	<b>-160%</b>
<b>Operating result</b>	<b>(16,801)</b>	<b>(17,752)</b>	<b>-5%</b>
Financial result	(3,110)	(4,740)	-34%
<b>Net profit/loss</b>	<b>(19,922)</b>	<b>(22,508)</b>	<b>-11%</b>

\*Audit procedures have been carried out by the statutory auditors and the audit report relating to the certification was issued.

<sup>1</sup> Gross margin on total revenue (%) = Gross margin on total revenue / Total revenue x 100.

## **Impacts of the global health crisis on the Group's commercial momentum**

SuperSonic Imagine generated total revenue of €19.2 million in 2020, down 28% on 2019. Product sales fell 35% to €14.6 million. Service sales totaled €2.6 million, down 33% compared with the previous year, and accounted for 15% of total revenue, the same as in 2019. Other revenue recorded strong growth to €2 million, and notably included €1.8 million in management fees billed to Hologic Inc. that did not exist in 2019, as well as €0.1 million in revenue resulting from the end of the partnership contract signed in 2018.

On SuperSonic Imagine's three main markets, China continued to be the largest contributor with revenue of €7.1 million (-44%), France saw a 20% decrease in activity to €2.8 million and the United States had a particularly difficult year with revenue falling 61% to €1.5 million. This result on the US market was due to a change in scope associated with the direct management of American clients being transferred to Hologic in December 2019, with Supersonic now only invoices Hologic for products to supply the U.S. market.

Globally, the EMEA zone saw a 29% fall in revenue, the Asia zone -32% and the Americas -60%.

As of December 31, 2020, almost 3,000 systems were deployed worldwide, thus representing a 9% increase in its installed base.

## **Stable gross margin on total revenue**

The **gross margin on total revenue** was almost stable, slipping from only 1.1 percentage points to 45.4% in 2020 from 46.5% in 2019.

In 2020, the **gross margin on sales** fell to 38.9%, versus 45.8% in 2019. This fall was the result of an increase in an inventory depreciation provision booked in 2020, for -1.4 pp, and a less favorable geographical mix for -5.5 pp with a decrease in China's weight and a significant reduction in the margin in the United States due to a reorganization of the distribution scheme in the United States (with the sale of the Group's US subsidiary to Hologic), with a view to increasing sales volumes in the future.

## **Reduction in the net loss despite a deterioration in EBITDA and recurring operating income**

Operating expenses increased by €4.0 million, primarily as a result of the €2.3 million increase in Sales & Marketing expenses and the €1.2 million increase in General & Administrative costs.

Research & Development costs (including capitalized spending) were down slightly by 9% to €5.8 million in 2020. Driven by innovation, year after year the SuperSonic Imagine group is continuing to maintain its R&D investments by devoting a substantial portion of its revenue to this department.

In 2020, Sales & Marketing expenses increased by 19% to €14.7 million. This increase is mainly due to the distribution agreements with Hologic and increased use of external services.

General & Administrative expenses also increased, to €5.2 million (+29%), while Operating expenses totaled €1.8 million compared with €1.6 million the previous year.

At December 31, 2020, the core operating result deteriorated by -€7.7 million to -€16.2 million, versus -€8.4 million in 2019.

The total impact of the Covid-19 pandemic on SuperSonic Imagine's business in 2020 is estimated at approximately €2.8M of additional losses for the year. This impact is made up of a €7.2 million reduction in cost of sales and €2 million in structural cost savings. The main structural costs impacted were commissions, transport, promotional costs and travel and hospitality expenses.

All in all, EBITDA<sup>2</sup> posted a loss of €12.7 million in 2020, versus a loss of €4.9 million in 2019.

The consolidated net loss was €19.9 million in 2020, versus €22.5 million in 2019. As a reminder, the previous year had been impacted by exceptional items totaling €9.3 million.

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<sup>2</sup>EBITDA: current operating result restated for tax, amortization and provisions.

## Cash position of €2.4 million at December 31, 2020

As of December 31, 2020, the Company had a cash position of €2.4 million (vs. €6.5 million at December 31, 2019), giving net cash burn of €4.1 million, which broke down as follows:

- -€9.0 million net cash flow associated with operating activities in 2020 (vs. -€13.2 million in 2019) essentially due to the net operating loss over the period and the change in WCR;
- -€4.1 million net cash flow associated with investment activities (vs. -€1.3 million in 2019);
- +€9.0 million net cash flow associated with financing operations (vs. €12.6 million in 2019) relating notably to the increase in the revolving loan book for €20.5 million with the Hologic group.

## Event since end-2020

On January 19, 2021, the Company and Hologic Hub Ltd. signed an amendment to the revolving loan contract of August 14, 2019 increasing the maximum cumulative amount available to the Company from €67 to 73 million.

## Outlook

The Group considers that this loan agreement, as well as more generally the financial support provided by the majority shareholder Hologic, will enable it to cover its activities over the next 12 months from the date of closing of these financial statements and should enable the Group to be in a position to deal with the uncertainties related to the current epidemic.

The Group's management will continue to closely monitor the epidemic's progress in each geographical region concerned and is applying all necessary measures to protect its employees, clients and partners (thus partaking in the global effort aimed at limiting the spread of virus). Most activities, including R&D, are now undertaken remotely. At the same time, the Group is implementing all health protection measures to continue essential logistic activities enabling orders to be distributed and shipped.

Within a global economic context that remains extremely uncertain, the Group is implementing every measure at its disposal to protect itself within this unprecedented environment. However, with the pandemic having affected every geographical region in which the Group operates, SuperSonic Imagine is not in a position to guarantee that it will not be more seriously impacted, notably in view of the economic consequences of the extended lockdown measures in France and every other country in which it is present (notably the United States, particularly hard hit by the Covid-19 crisis). In these conditions, the SuperSonic Imagine group's companies could see their sales, profitability and cash flow affected, although to what extent exactly is currently still difficult to assess.

## 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 almost 3,000 ultrasound platforms installed worldwide, SuperSonic Imagine is present in more than 54 countries and its main markets are China, the United States and France. The group's revenues for the 2020 financial year amounted to €19.2 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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