

Communiqué
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Intrasense announces its 2017 financial results and strategy for 2018

Repositioning of the offer to speed up growth

- 2017, a pivot year justifying the activity slowdown
- Multi-year partnership-oriented strategy
- Business growth on Chinese and US markets
- Continuous rationalization of operating costs

Intrasense (FRO011179886 - ALINS), specialist in medical image software solutions and designer of Myrian®, announces today its annual results for the year ended December 31, 2017, approved by the Board of Directors on April 26, 2018.

« 2017 has been a transition year for business, with a repositioning of our offer which values our technological and clinical expertise on new B2B markets, turning out to be bigger and sources of recurring revenues. » points out Nicolas Reymond, Chief Executive Officer of Intrasense. *« We observed a decline in direct sales to our historical targets – hospitals – however the relevance of our new strategy has been confirmed by the signature of several multi-year strategic partnership contracts by the end of 2017, which opens up promising business prospects for us.*

We have continued to invest up to 30% of our overall results in R&D to consolidate our competitive position and maintain also the strict control of our costs, that have been reduced by about 1 million euros this year. We are targeting a return to operating balance, building on our latest offers Myrian® Imaging Layer and Myrian® Studio, which have a strong growth potential on these new markets, and reinforced collaborations on particularly promising Chinese and US markets. » Nicolas Reymond finally says.



New strategy deployment

2017 marks a transition year for Intrasense group with the change in governance and the deployment of a new growth strategy.

Nicolas Reymond, appointed Chief Executive Director, has deployed a new strategy focused on three development axes:

- Implement a B2B partnership strategy with industrial players supported by the deployment of Myrian® new offers, Myrian® Studio and Myrian® Imaging Layer.
- Speed up the business growth on Chinese and US markets by capitalizing on the multi-year agreements recently signed with industrial companies such as MinFound Medical Systems and 12 Sigma Technologies.
- Keep on enriching Myrian® offer to consolidate its market position.

2017, a transition year for turnover

By December 31, 2017, the turnover of Intrasense comes to 2,222 K€ against 3,015 K€ for the previous fiscal year. **The decline of the direct sales to hospitals** is one of the effects resulting from the deployment of the new B2B development model adopted by the company in the end of 2017. This strategy explains the drop in turnover of 26% over the year, to be considered as a period of transition.

The business activity with international industrial key accounts is now the main growth source, representing 41% of the turnover and an increase of +19 points. The developing of partnerships with industrial players generates a recurrence of revenues and is a very high leverage, a key condition for sustainable growth.

Financial results for 2017

<i>In k€ (Dec. 31)</i>	2017	2016
Net sales	2,222	3,015
Operating costs	5,598	6,510
Operating profit	-2,311	-1,937
Financial income	-103	-159
Extraordinary income	-38	-200
Research tax credit	+349	+531
Net income	-2,103	-1,766



- **The business volume** in China which represents a [priority lead market](#), accounts for 24% of the overall sales against 16% in 2017, supported by several multi-year contracts. The company is already present in more than 250 major hospitals and strengthens its position on this market. The 4-year cooperation contract signed at the end of 2017 with MinFound Medical Systems, leading manufacturer of medical imaging equipment, will be an excellent leverage for growth and distribution of Myrian® in China.
- **The new Myrian® Studio offer** has also made it possible for Intrasense to sign several multi-year partnership contracts for the development of innovative products such as with the American company 12 Sigma Technologies, pioneer in Artificial Intelligence, but also with Dutch spin-off Quantib that will also participate in Myrian® distribution.
- **Investments in R&D remain stable** and edge up +3% as compared to 2017 to value Myrian® technological competitive edge on its new markets. Additionally, we already have 3 international registered patents and several others are in progress.
- **The strict cost rationalization is still ongoing in 2017**, with a sharp reduction in the 'operating costs' by -14%.

Personnel expenses decline by -3.5% as compared to 2016, decrease which is still accelerating at the beginning of 2018, as a result of a company reorganization in the first quarter.

These joint efforts enable to limit the operating loss to -2.3 M€ (against -1.9 M€ in 2016) despite an activity slowdown over this transition year.

Considering the financial and exceptional results including the Research tax credit (CIR), the net loss amounts to -2.1 M€.

The weight of the cashflow over the assets levels off to 16% at the end of the fiscal year, against 13% in 2016.

Perspectives and sources of growth for 2018

The deep market changes occurring these days in the health field have resulted in the emergence of a totally new market situation, particularly positive for Intrasense. The product innovations and technological adjustments brought by the company put it in a leading top position to respond effectively to these new challenges.

Result of 14 years of research and development in medical imaging advanced visualization, Myrian® is now positioned as one of the most attractive independent solutions for industrial companies that want to integrate rapidly its technology into their own offer, to become leaders on their market.



Through the newly designed Myrian® Imaging Layer and Myrian® Studio solutions, Intrasense expands its presence on new markets and intends to speed up its growth by addressing the growing imaging needs of its new industrial clients.

The constant functional growth of Myrian® offer along with its active participation in the HECAM and HYPMED projects also consolidates Intrasense's clinical position as a specialist in medical imaging software solutions.

About Intrasense

Founded in 2004, Intrasense develops and markets a unique medical device called Myrian®, a software platform that makes diagnosis, decision-making and therapeutic follow-up easier and much more secure. Thanks to Myrian®, more than 800 health institutions spread over 40 countries uses this unique and integrated platform supporting all types of imaging modalities (MRI, scanner...). Enriched with expert clinical modules dedicated to specific pathologies, Myrian® also provides a universal image treatment solution that can be fully integrated in any health information system. Intrasense includes 45 employees among which 20 are dedicated to Research & Development. Intrasense which has been labelled 'innovative company' by the BPI has invested more than 10 million euros in Research & Development since its creation.

For more information, please visit www.intrasense.fr.

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