



2015: A YEAR OF MAJOR INVESTMENTS IN THE CONSTRUCTION OF A REVOLUTIONARY CONNECTED HEALTH ECOSYSTEM

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VISIOMED GROUP (FR0011067669 – ALVMG), a company specializing in new generation medical electronics, presents its annual results for 2015, as well as its outlook.

2015: A 100 percent connected year

2015 will remain an important year for VISIOMED GROUP, as it is the year of the birth of the first worldwide comprehensive offer in the connected health area, BewellConnect®, combining the wealth of its medical devices and high value-added services offering, thus resolutely positioning the Group as the pioneer of connected health.

Throughout the year, the company solidly built upon its offer with, notably:

- The launch of 12 innovative medical devices, a result of major R&D investments, including **MyCoach®**, **MyECG®¹**, **MyGluco®**, **MyOxy®**, **MyScale®**, **MyTensio®** or **MyThermo®** and **MyHealthBox®**, the integrated solution for the monitoring of chronic diseases and patients at home;
- The registering of the majority of the range of connected medical devices with the FDA, paving the way for their commercialization in the United States;
- The acquisition of a strategic stake in Medical Intelligence Service (M.I.S.) and the signature of a partnership with Zuora, the global partner of choice for subscription-based services, and H2AD, the French platform of reference for medical consultancy, allowing early 2016 the launches of BewellCheck-up® and **MyDoc®**, subscription-based connected health services;
- The opening of a subsidiary in the United States, also registered with the FDA, before the opening, announced in early 2016, of VISIOMED do Brazil, in order to cover directly these two highly strategic territories;
- The continued signing of new international distribution agreements to reach a sales network which today covers some 50 countries.

¹ Medical device soon available



Parallel to this, VISIOMED GROUP has significantly strengthened its financial resources in order to cover upfront investments in the large-scale launch of its connected health offering. The group has thus proceeded to:

- A €5.9 million capital increase in January 2015 ;
- The establishment of a €18.0 million maximum funding as OCABSA (Convertible Bonds with Warrants) in August 2015.

Activity and operating expenses are stable on a comparable basis

In €k – French standards	2014	2015
Turnover	13,307	10,891
Gross margin	7,233	5,319
<i>Gross margin rate</i>	54%	49%
Operational costs	-9,547	-13,322
Operational income	-2,314	-8,003
Operational income before tax	-2,298	-8,356
Net income, group share	-2,598	-7,282

The 2015 turnover amounted to €10.9 million versus €13.3 million in 2014. This variation can be attributed to three events:

- The eradication of the epidemic of the Ebola virus worldwide, which led to an outstanding level of sales of the ThermoFlash® in 2014 (€1.1 million) ;
- The stoppage of a distribution agreement (€1.1 million) ;
- The stoppage of sales under a private label (€0.4 million).

Apart from these events, the 2015 turnover actually increased slightly. In fact, VISIOMED GROUP recorded a particularly strong volume of nearly 150,000 ThermoFlash® sold during the fiscal year, which is the second-best year since the launch of the non-contact thermometer in 2007.

Gross profits amounted to €5.3 million, or 49 % of the turnover, against €7.4 million (54%) a year earlier. This change in the profit margin is directly related to the impact of currency fluctuations on procurement costs.

Operating expenses increased from €9.6 million to €13.3 million due to the rise in expenses related to BewellConnect®. The main efforts were focused on:

- Research and development, which in 2015 represented more than €1.1 million and 11% of the total turnover, against €0.3 million in 2014;
- The marketing (€3.1 million against €1.4 million in 2014) with important efforts being made at international trade fairs (Las Vegas CES) and for the corporate notoriety of the BewellConnect® brand (sponsorship and public relations in particular);
- The enrichment of the administrative and financial structures (€3.8 million against €2.5 million) both at the headquarters as well as for the establishment of the subsidiary in the United States.

Apart from BewellConnect®, the operating expenses were stable year-on-year.

The company also incurred non-recurring expenses related to transactions carried out during the year (fundraising, equity stake in M.I.S., unrealized project of acquisition for Technosens).

As a result, operating income amounted to €-8.0 million, against €-2.3 million in 2014.



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After taking into account the financial expenses related to the repayment of the Convertible Bonds issued in 2009 (€0.3 million) and of an exceptional product (€1.0 million) related to the termination of a distribution agreement, net income for the year amounted to €-7.3 million (€-2.6 million in 2014).

Nearly €12 million in equity and €7 million in cash

Building on the success of the two fundraisings conducted in 2015 (€5.9 million through private placement and €9.9 million through the issuance of Convertible Bonds and exercise of Warrants), VISIOMED GROUP had €12.0 million in equity against €4.4 M a year earlier and net cash of €6.7 million (€2.3 million at the end of 2014). After repayment of Convertible Bonds issued in 2009, the Group no longer has any significant financial debts (€10k).

Since the beginning of 2016 and as part of its first issuance of Convertible Bonds with Warrants, VISIOMED GROUP raised €5.1 million through the issuance of the final tranche of its Convertible Bonds and the exercise of warrants.

The company announced on April 12th ², a new issuance of Convertible Bonds with Warrants (OCABSA), accompanied by a free allocation of warrants (BSA) to all shareholders, which is expected to raise:

- A maximum of €36 million by cash issue of Convertible Bonds into shares with equity warrants (OCABSA) :
 - €6 million + €12 million per issue of Convertible Bonds in 2 tranches over a maximum of 2 years;
 - €6 million + €12 million per exercise of Warrants in 2 tranches over a maximum of 5 years.
- A maximum of €15 million per exercise of Warrants allocated freely to all shareholders, for which the modalities will be detailed later.

A first issuance of Convertible Bonds, allowing for a maximum fundraising of €12 million, is scheduled for May 3.³ The balance is subject to the approval of the appropriate resolutions by the forthcoming Annual General Shareholders' Meeting.

2016: Focus on commercial deployment

While 2015 was the year in which the company built the largest and most coherent offering in the field of connected health, 2016 will be the year of its commercial deployment both in France and abroad. For this, VISIOMED GROUP is betting on several levers which will gradually be activated during the year:

- The finalization of negotiations on important distribution agreements in the United States and China to be signed before the end of the 1st half. Discussions are underway with key partners with a potential for powerful business leverage.
- The analysis of external growth opportunities to accelerate the penetration of key markets, including B2B.
- The launch, in the second half of the year, of a major omni-channel communication campaign in France and in the United States by the end of 2016.

This ramp-up of our commercial efforts will be accompanied by the establishment of already-operational flexible and scalable production capabilities capable of absorbing large volumes or orders.

² SBB. Press release of April 12, 2016

³ Based on the authorization granted by the General Assembly of June 18th, 2015 (16th resolution)



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At the same time, VISIOMED GROUP is planning for the further enrichment of its offering of connected medical services, as well as of its health services platform. The goal is to maintain, through a high level of innovation, the technical advance of the BewellConnect® ecosystem, as well as its use-value in order to enhance its monetization capability through subscription or on demand.

Eric Sebban, founder and CEO of VISIOMED GROUP: *"We are today ideally positioned for the huge global market for connected health, which is just waiting to take off. We have a unique offer, built methodically over 3 years, capable of addressing major worldwide health needs. We are the only ones to have brought together equipment and services into a complete and scalable offer to create an important leverage effect on our turnover through recurring revenues. Recent events in the sector show the increasing interest of major renowned industrial companies for our sector and the central position of innovative startups, particularly those of FrenchTech, to become the leaders of tomorrow."*

About the VISIOMED GROUP

Founded in 2007 by Eric Sebban, VISIOMED GROUP is a company specializing in new generation medical electronics. The laboratory develops and markets innovative health products in the promising fields of medical and well-being self-diagnosis. VISIOMED is, among other things, the inventor of ThermoFlash®, the first infrared contact-less medical thermometer.

VISIOMED's products combine innovation, technology and design to provide non-drug prevention and treatment solutions that focus on simplicity and the comfort and well-being of users.

In 2014, VISIOMED GROUP announced the launch of its "BewellConnect®" range of connected health products, becoming the 1st medical electronics laboratory to enter the high-potential market of the Internet of Things (IoT). Based in Paris, VISIOMED GROUP relies on a team of 105 employees, including sales teams specialized in sales to pharmacies (OTC), health professionals (hospitals, clinics, retirement homes) and, since 2010, to retail. In 2015, the Group achieved a turnover of €11 million. VISIOMED GROUP has been named as an "Innovative Business" by Bpifrance.

VISIOMED GROUP ranked 2nd nationally in the 2014 Deloitte In Extenso Technology Fast 50 competition, and 2nd in Europe for the Health/Biotech/Pharma sector in the Deloitte Technology Fast 500. In 2016, VISIOMED GROUP won the ScaleUp Awards organized by KPMG and CroissancePlus and ranked as the top company in the Health sector in the FW500 (FrenchWeb) rankings.

More informations on www.visiomed-lab.com.



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