

PRESS RELEASE

H1 2022 marked by significant growth, normalized EBITDA at breakeven and positive net cash position: Visiomed Group confirms perfect implementation of roadmap

Paris, October 17th, 2022

Visiomed Group (FR0013481835 - ALVMG), a group specializing in innovative healthcare technologies and services, today presents its earnings for the first half of 2022. The 2022 half-year financial report will be posted online by October 31st, 2022.

In line with the business momentum announced on October 3rd¹, Visiomed Group posted strong growth in first half 2022 financial performance with normalized EBITDA at breakeven and positive net cash.

First half 2022 normalized EBITDA at breakeven

Period ended June 30 th - EURm (unaudited data - French GAAP)	H1-2021 consolidated	H1-2022 consolidated ²	Change H1-22/21
Revenue	0.3	8.8	+8.5
Normalized EBITDA	(4.3)	0.0	+4.3
<i>Smart Salem</i>	-	2.5	+2.5
<i>BewellConnect³</i>	<i>(1.3)</i>	<i>(0.8)</i>	+0.5
<i>Central costs⁴</i>	<i>(2.9)</i>	<i>(1.8)</i>	+1.2

Thanks to the upsizing illustrated by the €8.5 million increase in revenue between H1 2021 and H1 2022, coupled with tight management of operating expenses since the spring 2022 arrival of the new management team, Group normalized EBITDA came close to breakeven after an improvement of €4.3 million versus H1 2021. This performance was mainly driven by:

- the acquisition of Smart Salem in August 2021, which made a strong contribution despite the decision to discontinue the low-margin, non-strategic COVID business;
- the implementation of a major cost streamlining plan covering all operations in France (BewellConnect and central costs).

¹ [Visiomed Group posts excellent first half and continues major growth and transformation drive](#)

² H1-2022 average exchange rate: EUR/AED = 4.0120

³ Scope of analysis including BewellConnect SAS and BewellConnect Italia

⁴ Scope of analysis including Visiomed Group SA and Visiomed Laboratoires SAS

Smart Salem: performance driven by structuring initiatives and the booming Medical Fitness business

Given that Smart Salem was acquired in August 2021, the company is presenting a comparative analysis versus first half 2021 pro forma revenue.

Period ended June 30 th - EURm (unaudited data)	H1-2021 Pro forma ⁵	H1-2022 consolidated ⁶	Change H1-22/21
Smart Salem revenue	7.2	6.4	(0.8)
<i>Medical Fitness</i>	2.7	4.5	+1.8
<i>COVID</i>	4.5	1.8	(2.6)
Smart Salem gross margin	4.7	3.9	(0.8)
<i>Medical Fitness</i>	2.5	3.9	+1.4
<i>COVID</i>	2.2	(0.1)	(2.3)
Smart Salem normalized EBITDA	4.1	2.5	(1.6)

Medical Fitness revenue increased 66%, resulting in a gross margin of €1.4 million for the business, up 56% versus H1 2021. As a reminder, this performance was generated solely by the first center located in City Walk. This excellent first half performance confirms the fundamentals of Smart Salem's Medical Fitness core business.

Meanwhile, the COVID business gross margin fell, as the new management team set up in spring 2022 announced its intention to discontinue this business.

The increase in Smart Salem fixed costs reflects the strategy of structuring the business and resources, including the hiring of a new management team, in order to support organic growth at the existing center and future center openings (DIFC opened in September 2022, Dubai Knowledge Park scheduled for Q1 2023).

The opening and ramp-up of these new centers will directly contribute towards absorbing these costs and structurally improving Smart Salem's overall profitability.

BewellConnect: initial impact of streamlining

Period ended June 30 th - EURm (unaudited data)	H1-2021	H1-2022	Change H1-22/21
BewellConnect revenue	0.3	2.4	+2.1
BewellConnect normalized EBITDA	(1.3)	(0.8)	+0.5

BewellConnect recorded a normalized EBITDA loss of €0.8 million in the first half of 2022, representing a €0.5 million improvement over first half 2021.

⁵ H1-2021 average exchange rate: EUR/AED = 4.4253

⁶ H1-2022 average exchange rate: EUR/AED = 4.0120

This increase is mainly due to the streamlining of BewellConnect's fixed costs from spring 2022. The Group announced a 47% reduction in BewellConnect's monthly fixed cost structure between March and September 2022. This optimization plan, which began in the first half of 2022, will have a full impact on H2 2022 financials and offers the management team more headroom for targeted investments and recruitment.

Reconciliation from normalized EBITDA to consolidated EBITDA

Period ended June 30 th - EURm (unaudited data)	H1-2021 consolidated	H1-2022 consolidated	Change H1-22/21
Normalized EBITDA	(4.3)	0.0	+4.3
France transition costs	-	(0.4)	(0.4)
France litigation (net of provisions)	-	+0.2	+0.2
Smart Salem non-recurring expenses	-	(0.4)	(0.4)
Consolidated EBITDA	(4.3)	(0.5)	+3.7

EBITDA normalization amounted to €0.5 million in the first half of 2022, including:

- all transition costs related to the change of governance at Visiomed Group and BewellConnect;
- the impact of the settlement of pending disputes in France (net of previous provision reversals);
- non-recurring expenses at Smart Salem related to the change in management and reorganization of operations.

Significant improvement in net income

Period ended June 30 th - EURm (unaudited data)	H1-2021 consolidated	H1-2022 consolidated	Change H1-22/21
Consolidated EBITDA	(4.3)	(0.5)	+3.7
Depreciation and amortization	(0.0)	(1.2)	(1.2)
Expense reclassification	0.9	0.0	(0.9)
Operating income/(loss) (EBIT)	(3.4)	(1.7)	+1.7
Financial income/(expense)	(0.3)	(0.3)	(0.1)
Non-recurring income/(expense)	0.0	(0.4)	(0.4)
Income tax	(0.1)	0.1	+0.2
Consolidated net income/(loss)	(3.6)	(2.4)	+1.2

The difference between consolidated EBITDA and consolidated net income mainly comprises the following items:

- Depreciation of property, plant and equipment (machinery and equipment) at Smart Salem centers;
- Financial expenses related to the payment of the balance of the Smart Salem acquisition price;

- Non-recurring expenses, including severance costs for departing managers in spring 2022.

Improvement in net cash position

EURm (unaudited data)	12/31/2021	6/30/2022	Change
Shareholders' equity	14.1	27.4	+13.3
Gross debt	5.0	0.0	(5.0)
Gross cash and cash equivalents	6.6	2.0	(4.5)
Net cash and cash equivalents	1.6	2.0	+0.4

As of June 30th, 2022, the Group posted shareholders' equity of €27.4 million and net cash of €2.0 million, up €0.4 million from December 31st, 2021.

The first half was marked by the termination of the OCABSA agreement with Park Partners. A final tranche of the financing line was drawn in January 2022 and all bonds were subsequently converted between March and May 2022. As a result, the Company posted zero gross debt at June 30th, 2022.

The Group is working on consolidating its financial structure in order to fund its projects:

- In August 2022, the Group completed the first ever crowdfunding bond issue carried out by a company listed on Euronext Growth Paris, for a total amount of €3.6 million;
- Smart Salem set up an ad hoc line of credit to fund the construction and fit-out of the DIFC center opened in September 2022.

Outlook

Thanks to the successful implementation of the new strategic roadmap since spring 2022, the Group is confident in continuing to drive growth and improve profitability in the second half of the year.

About VISIOMED GROUP

Founded in 2007, VISIOMED GROUP relies on a long experience in the health sector to invest in innovative health technologies and services in France and abroad.

The Group now has two wholly-owned subsidiaries:

- **BewellConnect, created in 2014, pioneer in connected health and teleconsultation solutions**

BewellConnect offers an enriched technological universe, both in medical devices and software, making it possible to respond to all telehealth use cases: enriched and assisted teleconsultation, home telemonitoring, hospital monitoring, tele-expertise, teleassistance and tele-regulation.

BewellConnect's flagship product, VisioCheck, is the first telemedicine station weighing less than 300g for healthcare professionals, available in a case, station or modular health space.

BewellConnect is now deploying its solutions in France and abroad.

- **Smart Salem, the first digital medical analysis center accredited by the Dubai Ministry of Health (DHA) in the United Arab Emirates**

The Smart Salem offer is based on know-how in medical analysis, radiology and data analysis and processing to detect nearly 35 diseases in 7 minutes in a patient (in particular HIV, hepatitis and tuberculosis) by offering

reliable results, readability and exceptional patient experience enabled by advanced artificial intelligence and virtual reality technologies.

Smart Salem's "Medical Fitness Assessment" offer resulting from this know-how thus makes it possible to obtain a residence or work visa in the space of 30 minutes compared to 10 to 15 days in historical health centers.

Smart Salem is a technological platform offering many growth opportunities, as shown by the opening of the second center in Dubai in September 2022 and the authorization received for the opening of a third center, planned to open in the first quarter of 2023.

Based in Paris, VISIOMED GROUP is listed on Euronext Growth (ALVMG). More information on visiomed.fr, smartsalem.ae and www.bewell-connect.com.



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