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Bringing New Horizons to Therapy

EDAP Issues Letter to Shareholders Providing an Update on COVID-19 and the Potential Impact to Operations

March 17, 2020

LYON, France, March 17, 2020 – EDAP TMS SA (Nasdaq: EDAP) (“the Company”), the global leader in robotic energy-based therapies, today issued the following letter to shareholders:

To my fellow shareholders,

The COVID-19 virus represents a new challenge for us all, and I want to formally update you on the situation as it pertains to EDAP TMS. We are taking this global threat very seriously and are closely monitoring developments. To this end, we have implemented numerous precautions and protective measures to safeguard our employees and to ensure an uninterrupted supply of our devices and disposables.

Among the steps we have taken are requiring the majority of our employees to work remotely, maintaining minimum supply chain activity, curtailing all business travel following local regulations and guidelines, and adjusting to the reality of delayed and cancelled sales and marketing events.

We remain fully supportive of all of our hospital, medical center, and clinic customers in the management of this pandemic. With most operating rooms having been re-dedicated to the management of emergencies, all non-urgent procedures – including ESWL and HIFU treatments – may be postponed to free up resources for clinical teams to handle the most urgent cases.

In the near term, we expect this situation to cause decreased activity in our recurring usual activity with some cancellation of ESWL and HIFU treatments, which may have some impact on our recurring business. We also anticipate that device sales projects may be postponed on a near-term basis as hospital purchase and investment decisions are put on hold.

However, we want to be clear that our sales cycles are long, and we expect that sale projects currently in process to merely expect some delays and to eventually be completed. This short-term impact might not affect the pipeline of projects nor the long-term momentum of market adoption of HIFU and its numerous added value for patient including quality of life preservation.

We have in inventory several devices and accessories that are ready to be shipped, so the Company would be well positioned to resume delivery activities at any time.

More importantly in this unique and unknown crisis situation is EDAP’s strong and solid cash position, which enables us to manage quietly and safely through this global crisis with as little disruption as possible.

Our cash position, the nature of our business and our constant focus give us confidence in keeping our company stable, our employees and their expertise safe and preserved as well as our full capability of supporting our valued customers, users and prospects.

In closing, I reiterate that EDAP will employ all necessary measures to contribute to fight the COVID-19 pandemic, and we will continue to fully support our employees and global customer clinical teams who are valiantly devoting their efforts to the care of patients.

We look forward to providing a more comprehensive operational and financial update on our upcoming fourth quarter and full-year 2019 earnings conference call, with exact date and time to be announced soon.

Sincerely,

Marc Oczachowski
Chief Executive Officer

About EDAP TMS SA

A recognized leader in the global therapeutic ultrasound market for 40 years, EDAP TMS develops, manufactures, promotes and distributes worldwide minimally invasive robotic medical devices for urology using ultrasound technology. By combining the latest technologies in imaging and treatment modalities in its complete range of Robotic HIFU devices, EDAP TMS introduced the Focal One® in 2013 in Europe and in 2018 in the US as the answer to all requirements for ideal prostate tissue ablation as a complement to the existing FDA-cleared Ablatherm® Robotic HIFU and Ablatherm® Fusion. As a pioneer and key player in the field of extracorporeal shock wave lithotripsy (ESWL), EDAP TMS exclusively utilizes the latest generation of shock wave source in its Sonolith® range of ESWL systems. For more information on the Company, please visit <http://www.edap-tms.com>, and us.hifu-prostate.com.

Forward-Looking Statements

In addition to historical information, this press release may contain forward-looking statements. Such statements are based on management’s current expectations and are subject to a number of risks and uncertainties, including matters not yet known to us or not currently considered material by us, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, the clinical status, regulatory approvals, market acceptance and the continued market potential for our HIFU and lithotripsy devices. Factors that may cause such a difference also may include, but are not limited to, those described in the Company’s filings with the Securities and Exchange Commission and in particular, in the sections “Cautionary Statement on Forward-Looking Information” and “Risk Factors” in the Company’s Annual Report on Form 20-F.

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