

Interim report January – June 2018  
SyntheticMR AB (publ)

Q1

# Q2

Q3

Q4



## Second quarter in brief

- SyntheticMRs had sales growth of 97% in the second quarter compared to the previous year.
- Net sales amounted to SEK 11.1 million (5.7)
- Operating profit increased to SEK 4.4 million (0.03)
- Profit for the period amounted to SEK 3.2 million (0)
- Earnings per share amounted to SEK 0.80 (0.00)
- Sales for rolling 12 months amounted to SEK 42.6 million (27.6)

## First half year in brief

- Net sales amounted to SEK 21.8 M (14.9), which meant sales growth of 47 percent
- Operating profit increased to SEK 7.9 M (3.5)
- Profit for the period amounted to SEK 6.0 M (2.7)
- Earnings per share amounted to SEK 1.48 (0.67)

Turnover per quarter and rolling 12 month 2015-2018



## Significant events during the second quarter

### Market and sales

SyntheticMR has received further clearance by the FDA for the company's software SyMRI. The clearance concerns the clinical use of SyMRI together MRI systems from Philips. This means that SyMRI is now cleared for sale in the US together with MR systems both from Philips and GE Healthcare.

SyntheticMR has sold the first MAGiC licenses to GE Healthcare in China during the quarter. MAGiC was cleared by the CFDA in the first quarter of 2018.

## Significant events after the second quarter

No significant events after the balance sheet date.

### Key ratios

	2018 April-June	2017 April-June	2018 Jan-June	2017 Jan-June	2017 Jan-Dec
Net sales, TSEK	11,133	5,657	21,777	14,846	35,645
Sales growth, %	97	58	47	137	88
Operating profit, TSEK	4,364	34	7,945	3,535	11,117
Operating margin, %	39	1	36	24	31
Net profit for the period, TSEK	3,219	1	5,987	2,708	8,361
Profit/loss per share before/after dilution, SEK	0.80	0.00	1.48	0.67	2.07

## CEO comments

The growth in revenue, earnings and cash flow has continued in Q2 2018. The sales growth during the second quarter of the year amounted to 97 percent compared to the same period last year. Sales for the quarter and first half year were SEK 11.1 M (+ 97%) and SEK 21.8 M (+ 47%). Operating profit amounted to SEK 4.4 million, which resulted in an operating margin of 39%. On a rolling 12-month basis, sales amounted to SEK 42.6 M (+ 54%), with an operating profit of SEK 15.5 M. (margin 36%).

The outcome in cash flow continues to show a strong cash-conversion rate. Cash flow for the first 6 months amounted to SEK 7.4 M (3.3 M), with a net profit of SEK 6.0 M (2.7 m). In rolling 12 months, cash flow was SEK 11.8 M (6.1 M), with a net profit of SEK 11.6 M (4.3 M)

Sales of MAGiC licenses are in line with our expectations. During the second quarter, we delivered the first licenses to GE Healthcare in China, as a direct consequence of the regulatory clearance of MAGiC in China during the first quarter of this year. The Chinese market is the fastest growing market and the customer values we offer fit well with the needs in China.

During the second quarter, Siemens launched syngo.via Open Apps, where SyMRI is one of the applications that Siemens customers can license. The business model in this channel is based on subscription with an annual fee per concurrent user. Siemens is early on offering clinical applications according to this business model to its customers. I see great potential that the entire industry may transfer to business models based on subscription, as many other industries have done before. However, the change will take place gradually. Limited volumes are expected in this channel initially, as Siemens is now in the process of establishing and introducing the platform as well as the business model on the market.

During the annual meeting for the International Society for Magnetic Resonance in Medicine (ISMRM) in Paris, Philips presented the latest version of our product in its booth. We continue to work with Philips to simplify the sales process to hospitals and clinics. A positive development during the quarter was that we received clearance from the FDA for clinical use of SyMRI together with Philips systems. Through more regulatory approvals, we enable the establishment of our product in the global market.

During May, we were represented at the Neuro Summit in London. One of the main subjects was "quantitative MR and diagnosis of the individual". A clear conclusion from presentations and the panel discussion we participated in was that healthcare needed simpler and more accessible tools to increase the use of quantitative MRI in the diagnosis and follow-up of patients. This strengthens and validates the strategy we have chosen, which is to deliver a well-integrated product through our partnerships to satisfy market needs for quantitative MRI.

The second quarter was positive in terms of sales development and we are seeing progress in our partnerships. Establishing a new technology takes time, we follow our plan and remain well positioned to continue increasing our installed base.

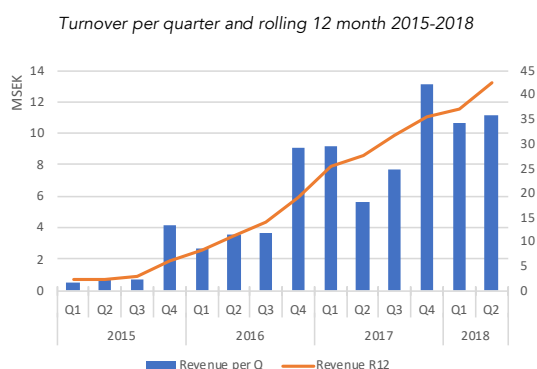


Stefan Tell  
CEO SyntheticMR AB

## Financial information

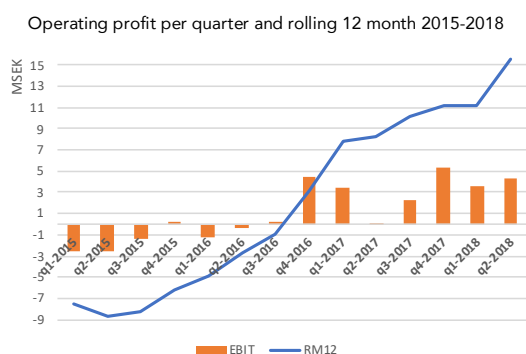
### Revenues

Net sales for the second quarter increased by 97 percent and amounted to SEK 11,133 thousand (5,657). The accumulated net sales for 2018 amounts to SEK 21,777 thousand (14,846), an increase of 47 percent. The increase for the quarter and first half of the year compared to the same periods last year is largely due to the increase in sales of MAGiC licenses through GE Healthcare.



### Operating profit

Operating expenses in the second quarter have increased compared with the same period last year and amounted to SEK -8,151 thousand (-6,201). Accumulated, expenses amounted to SEK -15,521 thousand compared to SEK -12,468 thousand. The increases are mainly due to more employees and higher consulting costs than the same periods previous year. Furthermore, investments in market and communication continue. Operating profit for the quarter was SEK 4,364 thousand (34), corresponding to an operating margin of 39 percent (1). Operating profit for rolling 12 months amounted to SEK 15,626 thousand (8,269)



### Currency effects

The company is impacted by the US dollar and the euro's trends against the Swedish krona, since invoicing is mainly denominated in USD and EUR, while most of the costs are in Swedish kronor.

During the period, earnings were positively affected by changes in exchange rates and amounted to SEK 575 thousand (-157). Accumulated, the positive currency effect was SEK 309 thousand (-262).

Sales in USD during the second quarter were invoiced at an average price of 8.70 SEK/USD, compared to 8.74 SEK/USD for the same period last year.

The company does not use hedging instruments in terms of futures or options to hedge currency risks, which means that exchange rate effects have an impact on the income statement.

### Capitalization of development costs

Investments in intangible fixed assets for the second quarter amounted to SEK 902 thousand (748). Corresponding figure for the first half year is SEK 1,582 thousand (1,451). Investments in intangible assets relate to capitalized development costs and patents.

### Profit/loss for the period and earnings per share

Tax on profit for the first half year amounted to SEK -1 145 thousand (-796). The tax refers to the change in deferred tax assets on valued loss carryforwards and thus has no cash flow impact.

Profit after tax for the second quarter amounted to SEK 3 219 thousand (1). This resulted in earnings per share of SEK 0.80 (0.00). Corresponding result for the first half year was SEK 5,987 thousand (2,708), with earnings per share SEK 1.48 (0.67)

### Cash flow and liquidity

In the second quarter, cash flow from operating activities was SEK 4 405 thousand (3 202). Corresponding figure for the first half year was SEK 9 057 thousand (4 798). The increase is due to the company's higher operating profit. As of June 30, 2018, the company's liquid assets amounted to SEK 24 464 thousand (12 665).

### Financial position

The company's total assets amounted to SEK 43 805 thousand (31 478) at June 30, 2018 and the equity/assets ratio was 85,4 percent (84,4). At June 30, 2018, current receivables totaled SEK 10 431 thousand (6 510). The receivables mainly comprised accounts receivables.

The company has an overdraft facility of SEK 3,000 thousand which was unused during the period. As a security for this facility, a chattel mortgage of SEK 3,000 thousand has been provided.

Shareholders' equity at the end of the period amounted to SEK 37 394 thousand (26 575). The company has no interest-bearing liabilities.

### Employees

At the end of the quarter, the number of employees in the company was 16 (15). The average number of employees for the quarter was 15 (13).

### Related party transactions

During the period, no transactions with related parties that materially affected the company's positions and earnings have occurred.

### Risks and uncertainties

Through its operations, SyntheticMR's operations and results are affected by a number of external and internal factors. A continuous process is ongoing to identify all possible risks and assess how to handle the respective risks.

The most relevant risks and uncertainties are described in the annual report for 2017 and relate to financial and operational risks. No other significant risks and uncertainties than those described in the 2017 annual report have been identified in 2018.

The company has, like most other MedTech companies, an uneven order flow over the year and the variation in individual quarters may be high.

### Share data and ownership

Share capital at 30 June 2018 amounted to SEK 896,897.316 and the number of shares to 4,040,078. All shares have equal rights to the company's assets and profits. One share entitles to one vote.

The company's shares were listed on October 18, 2013 at Spotlight Stock Market.

## Income Statement and Statement of Comprehensive Income

	2 <sup>nd</sup> quarter		First half year		Full year
SEK thousand	2018	2017	2018	2017	2017
<b>Operating income</b>					
Net sales	11 133	5 657	21 777	14 846	35 645
Own work capitalized	648	578	1 221	1 116	2 272
Other income	734	0	468	41	58
<b>Total income</b>	<b>12 515</b>	<b>6 235</b>	<b>23 466</b>	<b>16 003</b>	<b>37 975</b>
<b>Operating expenses</b>					
Other external expenses	-2 827	-1 941	-5 570	-3 783	-8 621
Employee benefit costs	-4 599	-3 431	-8 506	-6 985	-14 598
Depreciation of tangible and intangible assets	-725	-723	-1 445	-1 438	-2 879
Other expenses	0	-106	0	-262	-760
<b>Operating profit</b>	<b>4 364</b>	<b>34</b>	<b>7 945</b>	<b>3 535</b>	<b>11 117</b>
<b>Result from financial items</b>					
Financial income	0	-	0	-	0
Financial expense	0	-	-32	-31	-32
<b>Net financial income/expense</b>	<b>0</b>	<b>-</b>	<b>-32</b>	<b>-31</b>	<b>-32</b>
Net profit for the period from continuing operations	<b>4 364</b>	<b>34</b>	<b>7 913</b>	<b>3 504</b>	<b>11 085</b>
Tax on net profit for the period	-1 145	-33	-1 926	-796	-2 724
<b>Net profit for the period</b>	<b>3 219</b>	<b>1</b>	<b>5 987</b>	<b>2 708</b>	<b>8 361</b>
<b>Statement of Comprehensive Income</b>					
<b>Net profit for the period</b>	<b>3 219</b>	<b>1</b>	<b>5 987</b>	<b>2 708</b>	<b>8 361</b>
Other comprehensive income	-	-	-	-	-
<b>Comprehensive income for the year</b>	<b>3 219</b>	<b>1</b>	<b>5 987</b>	<b>2 708</b>	<b>8 361</b>
Earnings per share before dilution	0,80	0,00	1,48	0,67	2,07
Earnings per share after dilution	0,80	0,00	1,48	0,67	2,07

## Balance sheet

<b>ASSETS</b>			
SEK thousand	2018-06-30	2017-06-30	2017-12-31
<b>FIXED ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure	6 726	6 692	6 694
Patent	986	775	874
<b>Total intangible fixed assets</b>	<b>7 714</b>	<b>7 467</b>	<b>7 568</b>
<b>Tangible fixed assets</b>			
Equipment, fixtures and fittings	11	28	20
<b>Total tangible fixed assets</b>	<b>11</b>	<b>28</b>	<b>20</b>
<b>Financial fixed assets</b>			
Deferred tax assets	1 185	4 808	2 880
<b>Total financial fixed assets</b>	<b>1 185</b>	<b>4 808</b>	<b>2 880</b>
<b>TOTAL FIXED ASSETS</b>	<b>8 910</b>	<b>12 303</b>	<b>10 468</b>
<b>CURRENT ASSETS</b>			
<b>Other receivables</b>			
Accounts receivable	9 738	5 570	10 685
Other receivables	87	400	45
Prepaid expenses and accrued income	606	540	879
<b>Total other receivables</b>	<b>10 431</b>	<b>6 510</b>	<b>11 609</b>
Cash and bank balances	24 464	12 665	16 989
<b>TOTAL CURRENT ASSETS</b>	<b>34 895</b>	<b>19 175</b>	<b>28 598</b>
<b>TOTAL ASSETS</b>	<b>43 805</b>	<b>31 478</b>	<b>39 066</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital	897	897	897
Fund for development expenditures	4 728	3 424	4 101
<b>Unrestricted equity</b>			
Other paid-in capital	17 762	17 762	17 762
Retained earnings	8 020	1 784	1 106
Profit of the year	5 987	2 708	8 361
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>37 394</b>	<b>26 575</b>	<b>32 227</b>
<b>Current liabilities</b>			
Accounts payable	1 162	982	1 534
Tax liabilities	392	-	299
Other liabilities	667	168	344
Accrued expenses and prepaid income	4 190	3 753	4 662
<b>Total current liabilities</b>	<b>6 411</b>	<b>4 903</b>	<b>6 839</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43 805</b>	<b>31 478</b>	<b>39 066</b>



## Statement of cash flow

	2 <sup>nd</sup> quarter		First half year		Full year
SEK thousand	2018	2017	2018	2017	2017
<b>Operating activities</b>					
Operating profit	4 364	34	7 945	3 535	11 117
<b>Adjustments for non-cash items</b>					
Depreciation of tangible and intangible assets	725	723	1 445	1 438	2 879
Paid interest	0	-	-32	-31	-31
Income tax paid	-64	-60	-128	-114	-234
	<b>5 025</b>	<b>697</b>	<b>9 230</b>	<b>4 828</b>	<b>13 731</b>
<b>Cash flow from operating activities before changes in working capital</b>					
Changes in accounts receivable	517	2 856	947	-277	-5 392
Changes in other receivable	-57	-161	-55	83	128
Changes in accounts payable	-406	265	-372	296	848
Changes in other receivable	-674	-454	-693	-132	1 340
<b>Cash flow from operating activities</b>	<b>4 405</b>	<b>3 202</b>	<b>9 057</b>	<b>4 798</b>	<b>10 655</b>
<b>Investing activities</b>					
Investment in intangible assets	-902	-702	-1 582	-1 451	-2 984
<b>Investment in intangible assets</b>	<b>-902</b>	<b>-702</b>	<b>-1 582</b>	<b>-1 451</b>	<b>-2 984</b>
Cash flow for the period	3 503	2 500	7 475	3 347	7 671
Cash, opening balance	20 961	10 165	16 989	9 318	9 318
<b>Cash, closing balance</b>	<b>24 464</b>	<b>12 665</b>	<b>24 464</b>	<b>12 665</b>	<b>16 989</b>



## Statement of changes in equity

Tkr	<i>Restricted equity</i>		<i>Unrestricted equity</i>			Total equity
	Share capital	Fund for capitalized costs	Other contributed capital	Retained earnings	Net profit	
<b>Opening balance January 1, 2017</b>	<b>897</b>	<b>2 670</b>	<b>17 762</b>	<b>144</b>	<b>2 394</b>	<b>23 866</b>
Allocation according to AGM resolution				2 394	-2 394	
Allocation fund for development expenditures		1 116		-1 116		
Reversal of depreciation		-362		362		
Comprehensive income for the year					2 708	2 708
<b>Closing balance June 30, 2017</b>	<b>897</b>	<b>3 424</b>	<b>17 762</b>	<b>1 784</b>	<b>2 708</b>	<b>26 575</b>
<b>Closing balance December 31, 2017</b>	<b>897</b>	<b>4 101</b>	<b>17 762</b>	<b>1 106</b>	<b>8 361</b>	<b>32 227</b>
Adjustment on application of IFRS 15				-821		
<b>Adjusted opening equity January 1, 2018</b>	<b>897</b>	<b>4 101</b>	<b>17 762</b>	<b>285</b>	<b>8 361</b>	<b>31 406</b>
Allocation according to AGM resolution				8 361	-8 361	
Allocation fund for development expenditures		1 221		-1 221		
Reversal of depreciation		-595		595		
Comprehensive income for the period					5 987	5 987
<b>Closing balance June 30, 2018</b>	<b>897</b>	<b>4 727</b>	<b>17 762</b>	<b>8 020</b>	<b>5 987</b>	<b>37 393</b>
<b>Opening balance January 1, 2017</b>	<b>897</b>	<b>2 670</b>	<b>17 762</b>	<b>144</b>	<b>2 394</b>	<b>23 866</b>
Allocation according to AGM resolution				2 394	-2 394	
Allocation fund for development expenditures		2 271		-2 271		
Reversal of depreciation		-840		840		
Comprehensive income for the year					8 361	8 361
<b>Closing balance December 31, 2017</b>	<b>897</b>	<b>4 101</b>	<b>17 762</b>	<b>1 106</b>	<b>8 361</b>	<b>32 227</b>

## Key figures

	2018 April-June	2017 April-June	2018 Jan-June	2017 Jan-June	2017 Jan-Dec
Net sales, TSEK	11 133	5 657	21 777	14 846	35 645
Sales growth, %	97	58	47	137	88
Operating profit, TSEK	4 364	34	7 945	3 535	11 117
Operating margin, %	39	1	36	24	31
Net profit for the period, TSEK	3 219	1	5 987	2 708	8 361
Cash flow from operating activities, TSEK	4 405	3 202	9 057	4 798	10 655
Shareholders equity, TSEK	37 393	26 575	37 394	26 575	32 227
Total assets, TSEK	43 805	31 478	43 805	31 478	39 066
Equity/assets ratio, %	85,4	84,4	85,4	84,4	82,5
Return on equity, %	33	27	33	27	30
Number of employees	16	13	16	13	14
No. of shares before/after dilution	4 040 078	4 040 078	4 040 078	4 040 078	4 040 078
Average No. of shares before/after dilution	4 040 078	4 040 078	4 040 078	4 040 078	4 040 078
<b>Per share data, SEK</b>					
Profit/loss per share before/after dilution	0,80	0,00	1,48	0,67	2,07
Cash flow per share from operating activities	1,09	0,79	2,24	1,19	2,64
Equity per share	9,26	6,58	9,26	6,58	7,98
Dividend per share	-	-	-	-	-

**Sales growth** - The change in net sales compared with the year-earlier period expressed as a percentage.

**Operating margin %** - Operating profit/loss expressed as a percentage of net sales.

**Equity/assets ratio %** - Equity expressed as a percentage of total assets.

**Return on equity, %** - Profit/loss for the period as a percentage of average equity. Average equity is calculated as the sum of equity at the end of the period plus equity at the end of the year-earlier period, divided by two.

**Number of employees** - Average number of employees during the period.

**Profit/loss per share** - Profit/loss for the period as a percentage of average number of shares.

**Cash flow per share from operating activities**- Cash flow from operating activities as a percentage of average number of shares during the period

**Equity per share** – Equity divided by number of shares at the end of the period.

## Accounting policies

This interim report has been prepared in accordance with IAS 34, taking into account the exceptions to and additions to IFRS as specified in RFR 2 and the Annual Accounts Act.

Swedish legislation allows International Financial Reporting Standards (IFRS) as adopted by the EU to be applied at Group level. SyntheticMR AB (publ) does not prepare consolidated financial statements but instead applies the Swedish Financial Reporting Board's recommendation, RFR 2, Accounting for Legal Entities. The main rule of the recommendation means that SyntheticMR shall apply IFRS as far as possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation.

The accounting policies applied are consistent with those described in the annual report of SyntheticMR AB (publ) 2016, which is available at [www.syntheticmr.com](http://www.syntheticmr.com), except for the reporting in accordance with IFRS 9 and IFRS 15.

The adoption to IFRS 9 has not affected the company's financial statements. The adoption to IFRS 15 has been prospectively applied and has had an impact on the company's financial reports, see table below and Note 26 in the Annual Report for 2017. Furthermore, IFRS 15 has meant increased disclosure requirements, see table below. "Disaggregation of revenue".

In addition to financial data as defined in IFRS, specific key ratios, so-called alternative key ratios are presented to reflect the results of the underlying business and increase the comparability between different periods. These alternative key ratios do not replace financial data as defined in IFRS.

Disclosures in accordance with IAS 34. 16A appear in addition to the financial statements, also in other parts of the interim report.

When preparing financial reports consistent with IFRS, the use of some important estimates and assumptions for accounting purposes is required. The company evaluates these on a continuous basis based on historical experience and expectations of future events that are considered reasonable under prevailing conditions. The estimates for accounting purposes resulting from this will, by definition, rarely correspond to the actual result.

## Segment reporting

A reportable segment is a part of the company that operates from which it can generate revenues and incur costs and for which there is independent financial information available. The operating profit of a business segment is further monitored by the company's highest executive decision maker, which is identified by the company as the CEO. The management has determined the segments based on the information being dealt with by the CEO and used as a basis for allocating resources and evaluating results. In this internal reporting, the company as a whole is a segment.

## Disaggregation of revenue

The company has a customer whose turnover exceeds 10 percent of the company's total net sales.

SEK thousand	2 <sup>nd</sup> quarter		First half year	
	2018	2017	2018	2017
<u>Geographical markets</u>				
Sweden	404	108	449	188
Other	10 730	5 549	21 328	14 658
<b>Total</b>	<b>11 133</b>	<b>5 657</b>	<b>21 777</b>	<b>14 846</b>
<u>Major service lines</u>				
Licenses	10 814	5 450	21 143	14 464
Service and Support	319	207	634	382
<b>Total</b>	<b>11 133</b>	<b>5 657</b>	<b>21 777</b>	<b>14 846</b>
<u>Timing of revenue recognition</u>				
Licenses transferred at a point in time	10 814	5 450	21 143	14 464
Services transferred over time	319	207	634	382
<b>Total</b>	<b>11 133</b>	<b>5 657</b>	<b>21 777</b>	<b>14 846</b>

## Bridge for revenues and earnings for the application of IFRS 15

The table below shows the income and results of the period when reported in accordance with IFRS 15 and associated transition effects. The sum of each category shows the recalculated figures that are comparable to the previous accounting principles.

SEK thousand	2018-04-01 2018-06-30	2018-01-01 2018-06-30
<b>Reported revenues</b>	<b>12 515</b>	<b>23 466</b>
<i>Adjustment to IAS 18</i>		
Decrease related variable price model	-328	-431
<b>Recalculated revenues</b>	<b>12 187</b>	<b>23 035</b>
<b>Reported tax</b>	<b>-1 145</b>	<b>-1 926</b>
<i>Adjustment to IAS 18</i>		
Decrease related variable price model	72	95
<b>Recalculated tax</b>	<b>-1 073</b>	<b>-1 831</b>
<b>Reported Net profit</b>	<b>3 219</b>	<b>5 987</b>
<i>Adjustment to IAS 18</i>		
Decrease related variable price model	-256	-336
<b>Recalculated Net profit</b>	<b>2 963</b>	<b>5 651</b>

## Financial instruments

All financial assets and liabilities have short maturities. Hence, the fair values of all financial instruments are estimated to correspond to reported values.

30 June 2018	Loan receivables/ accounts receivable	Financial liabilities	Total reported value	Fair value
Cash and cash equivalents	24 464	-	24 464	24 464
Accounts receivable	9 738	-	9 738	9 738
Other receivables	241	-	241	241
<b>Total assets</b>	<b>34 443</b>	<b>-</b>	<b>34 443</b>	<b>34 443</b>
Accounts payable	-	1 162	1 162	1 162
<b>Total liabilities</b>		<b>1 162</b>	<b>1 162</b>	<b>1 162</b>
31 December 2017	Loan receivables/ accounts receivable	Financial liabilities	Total reported value	Fair value
Cash and cash equivalents	16 989	-	16 989	16 989
Accounts receivable	10 685	-	10 685	10 685
Other receivables	132	-	132	132
<b>Total assets</b>	<b>27 806</b>	<b>-</b>	<b>27 806</b>	<b>27 806</b>
Accounts payable	-	1 534	1 534	1 534
<b>Total liabilities</b>	<b>-</b>	<b>1 534</b>	<b>1 534</b>	<b>1 534</b>

### SyntheticMR in brief

SyntheticMR develops innovative software solutions for Magnetic Resonance Imaging (MRI) that supports shorter exam times and delivers more information to the clinician. SyntheticMR's unique technology measures the absolute properties of the brain and delivers adjustable contrast images, automatic biomarker segmentation and quantitative data in a single MR scan. SyntheticMR's product SyMRI is sold through partner agreements with Siemens, Philips and Sectra. A client-specific version is sold by GE Healthcare. The company was founded by Dr Marcel Warntjes in 2007 based on innovations developed at Center for Medical Image Science and Visualization (CMIV) in Linköping, Sweden. SyntheticMR has 16 employees and is based in Linköping.

### Vision and strategy

SyntheticMR's vision is to create a paradigm shift in MRI and lead the transition towards quantitative MRI. SyMRI offers clinicians objective decision support, which supports a faster and more reliable diagnosis. Meanwhile the more efficient workflow can contribute to shorter waiting times and less time spent in the MR scanner, which improves the patient experience. That way the productivity and patient satisfaction are increased at the customers' clinics, which in turn generates long-term profitability to SyntheticMR and its shareholders.

SyntheticMR has key competences within MR imaging and software development based on the latest research within the subject area. This is done in close collaboration with selected clinics and hospitals to ensure that the products correspond to market needs and requirements.

### Sales strategy

SyntheticMR's strategy is to reach a broad, global market through partner collaboration with leading MR manufacturers. SyntheticMR has a license agreement with GE Healthcare since 2014, one of the market leading MR manufacturers, which gives GE Healthcare the right to sell an integrated, customer specific version of SyMRI directly to their customers. SyntheticMR also has cooperation and co-marketing agreements with Philips since 2015 and Siemens since 2016, which makes SyMRI compatible with their MR scanners. SyMRI is also sold as a plug-in to Sectra's PACS and since second quarter 2018 also offered through the Siemens Healthineers Digital Ecosystem, syngo.via Open Apps.

SyntheticMRs products are primarily sold by retailers through our partners, but SyntheticMR also has close collaboration with several internationally recognized reference sites that conduct research within radiology and neurology.

### Review

This report has not been reviewed by SyntheticMR's auditors.

### Annual general meeting

AGM was held at SyntheticMRs office on April 25<sup>th</sup>, 2018, at 18:00 Storgatan 11, Linköping

### Financial Calendar

Interim Report Jan-Sept 2018 - Nov 16, 2018  
Year-End Report 2018 - Feb 21, 2019

### For further information

Fredrik Jeppsson, CFO and Head of Investor relations

Tel: +46 72 303 13 39

E-mail: [fredrik.jeppsson@syntheticmr.com](mailto:fredrik.jeppsson@syntheticmr.com)

Stefan Tell, CEO

Tel: Tel: +46 73 373 40 90,

E-mail: [stefan.tell@syntheticmr.com](mailto:stefan.tell@syntheticmr.com)

This information is information that SyntheticMR AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on August 22<sup>nd</sup>, 2018.

The Board of Directors and the Managing Director ensure that this report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the company's position and results and describes significant risks and uncertainties faced by the company.

Stockholm August 22<sup>nd</sup> 2018  
SyntheticMR AB (publ)

Board of directors