

Year-End report January – December 2021

SyntheticMR AB (publ)

Q1

Q2

Q3

Q4



Fourth quarter in brief

- Net sales amounted to 18.4 million SEK (15.8), which means a sales growth of 16 percent.
- Operating profit amounted to 5.2 million SEK (3.1).
- Net profit for the period amounted to 3.1 million SEK (3.0).
- Earnings per share amounted to 0.08 SEK (0.07).

Full year January - December in brief

- Net sales for the full year 2021 amounted to 58.4 million SEK (48.7), which means a sales growth of 20 percent.
- Operating profit amounted to 10.0 million SEK (0.9).
- Profit for the period amounted to 7.9 million SEK (0.7).
- Earnings per share amounted to 0.20 SEK (0.01).

Significant events during the fourth quarter

During the period, the highest quarterly sales in SyntheticMR's history was achieved.

Significant events during the year 2021

Two global licensing and distribution agreements were signed during the third quarter, one with Siemens Healthineers and one with Philips Healthcare.

A global license agreement was signed in the first quarter with United Imaging regarding marketing and sales of SyMRI NEURO.

A first order from United Imaging was received during the same quarter.

SyMRI MSK has received CE mark and is now approved for clinical use in Europe.

A joint development project with Canon Medical Systems and Juntendo University Hospital, Japan, has begun.

SyMRI will be used in a study initiated by the National Institutes of Health (NIH) in the US.

Significant events after the fourth quarter

SyntheticMR US Inc has entered a partnership with Hyland Healthcare.

Key ratios	2021	2020	2021	2020
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales, TSEK	18,366	15,793	58,421	48,729
Sales growth, %	16	49	20	6
Operating profit, TSEK	5,225	3,089	9,988	865
Operating margin, %	28	20	17	2
Net profit for the period, TSEK	3,113	3,012	7,900	663
Profit/loss per share before/after dilution, SEK	0.08	0.07	0.20	0.01

CEO comments

Increased sales after last quarter's record

Sales in the period once again reached an all-time high for a single quarter. SEK 18.4 million is thereby the highest quarterly sales in SyntheticMR's history. This is an increase of 16% compared to a strong fourth quarter last year when sales amounted to SEK 15.8 million. Despite the occasional disruption due to the pandemic in some markets, we have not lost business and I consider sales in the last three months of 2021 to be satisfactory.

Encouragingly, we are seeing results from the global licensing and distribution agreements we recently signed with Philips Healthcare and Siemens Healthineers. They have already generated orders during the quarter. With similar agreements already in place with GE Healthcare among others, I conclude that all major MRI scanner manufacturers are now actively contributing to SyMRI sales. We are also encouraged by the fact that all our priority markets continue to show a clear sales growth.

Operating profit amounted to SEK 5.2 million (3.1) in the fourth quarter, corresponding to a margin of 28% (20). This shows that we are gaining leverage in operating profit as sales increase and I am pleased with our improved operational efficiency.

SyMRI as standard through successful partnerships

Continuously developed collaborations with our partners contribute, in several ways, to our ambition to establish SyMRI as a standard in healthcare. For example, our commercial resources are significantly enhanced by the global licensing and distribution agreements we have signed with the major MRI scanner manufacturers.

In addition to our own direct sales capability, we now have four additional sales channels, all of which are already generating orders.

We are also collaborating on development projects related to the product plan we are implementing, such as the next generation SyMRI. This 3D product solution will increase the detail in images and quantitative data from examinations and further improve the support for healthcare providers in more clinical applications. The project with Canon Medical Systems, which started in mid-2021, is one of several examples of these product development collaborations.



"Encouragingly, we are seeing results from the global licensing and distribution agreements we recently signed with Philips Healthcare and Siemens Healthineers. They have already generated orders during the quarter."

The way forward

The signal from the market is strong, our offer is appreciated and the high ambitions we have for future growth are achievable. The planned expansion of the product portfolio will give us more solutions to sell, and I am confident that they will be well received by the market. Our installed base remains almost negligible in terms of market share and as I have said many times, it is up to our own execution to succeed.

Key conditions for continued profitable growth are in place. We have a new pricing model with time-limited licences at a considerably higher price than before. Our significantly increased sales capacity through our global licensing and distribution

agreements to complement our own direct sales resources is now implemented. Product development projects in collaboration with our partners are underway to a greater extent than before. These are just a few of the growth drivers.

We continue to focus on implementing the initiatives defined in our growth plan. Time is of the essence in our ambition to establish SyMRI as a standard in healthcare. Therefore, we are accelerating initiatives such as continuing to establish ourselves in existing and new markets, all while maintaining cost control. We will also offer our solution to more customer segments. Our solid product plan will be implemented even more effectively. These initiatives will be further implemented through various types of collaborations and partnerships. With a high level of ambition and strong commitment, we will continue our growth journey.

Ulrik Harrysson
CEO SyntheticMR

Financial information

Fourth quarter, October – December 2021

Net sales for the fourth quarter increased with 16 percent compared to the same period last year and amounted to 18,366 thousand SEK (15,793). The increase is mainly attributable to an increased number of SyMRI licenses sold.

Other income for the quarter includes reimbursement of 99 thousand SEK from Vinnova for the project that is conducted with Elekta, Inovia AI and Linköping University. Furthermore, changes in the exchange rate against the dollar and the euro had a positive effect of 436 thousand SEK.

Operating expenses in the fourth quarter were higher compared with the same period last year and amounted to -14,843 thousand SEK (-11,816).

Operating profit for the quarter was 5,225 thousand SEK (3,089), corresponding to an operating margin of 28 percent (20). Tax on profit for quarter amounted to -2,284 thousand SEK (-73). Total profit after tax amounted to 3,151 thousand SEK (2,957), which resulted in earnings per share of 0.08 SEK (0.07).

In the fourth quarter, cash flow from operating activities amounted to 1,080 thousand SEK (253).

Full year, January-December 2021

Net sales for the full year 2021 amounted to 58,421 thousand SEK (48,729), which corresponds to an increase of 20 percent (6). The increase is mainly attributable to an increased number of SyMRI licenses sold.

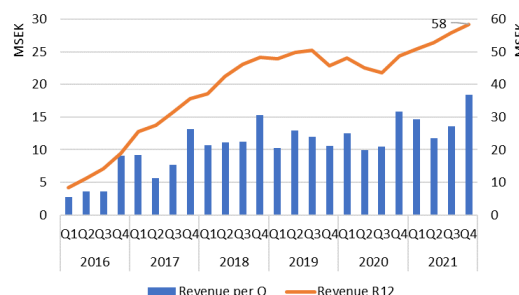
The costs for the full year amounted to -55,291 thousand SEK compared to -49,326 thousand SEK last year. The costs are mainly attributable to increased investments in own sales resources.

Furthermore, the Group has more employees and at the end of the quarter there were 25 employees, compared with 24 persons at the same time last year.

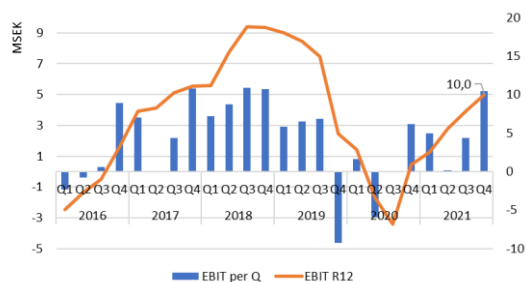
Operating profit amounted to 9,988 thousand SEK (865), which corresponds to an operating margin of 17 percent (2). Tax on earnings amounted to -2,523 thousand SEK (-152). Total profit after tax for the full year amounted to 7,954 thousand SEK (451), which resulted in earnings per share of 0.20 SEK (0.01).

Cash flow from operating activities amounted to 4,346 thousand SEK (-8,931). As of December 31, 2021 the Group's cash and cash equivalents amounted to 11,552 thousand SEK (13,004).

Turnover per quarter and rolling 12 month 2016-2021



Operating profit per quarter and rolling 12 month 2016-2021



Currency effects

The Group is impacted by the currency change against the Swedish krona, since invoicing is mainly denominated in USD and EUR, while most of the costs are in SEK.

The Group does not use hedging instruments in terms of futures or options to hedge currency risks.

Capitalization of Intangible assets

Investments in intangible assets for the fourth quarter amounted to 1,793 thousand SEK (1 442). The corresponding figure for the full year is 5,060 thousand SEK (5,555). Investments in intangible assets relates to capitalized development costs and patents.

Financial position

The Group's total assets amounted to 60,845 thousand SEK on December 31, 2021, compared to 55,013 on 30 September 2021. The equity/assets ratio was for the same period 75.8 percent (78.1). At the end of the period, current receivables amounted to 36,663 thousand SEK (30,629), whereof 11,798 thousand SEK (9,652) were account receivables.

Shareholders' equity at the end of the period amounted to 46,134 thousand SEK (42,983). The Group has no interest-bearing liabilities other than lease liabilities.

Related party transactions

During the fourth quarter, transactions with related parties amounts to 280 thousand SEK. For the full year the amount is 1,618 thousand SEK. The amount refers to consulting fees to board member Marcel Warntjes in his role as responsible for innovation and as Senior Adviser to the Group's management, as well as consulting fees to Johanna Norén in her role as Interim CFO during the first quarter.

Otherwise, no significant transactions with related parties during the current period or the comparative period has occurred.

Risks and uncertainties

Through its operations, SyntheticMR's operations and results are affected by several 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 2020 and relates to financial and operational risks. No other significant risks and uncertainties than those described in the 2020 annual report have been identified in 2021.

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

Parent Company

SyntheticMR AB (publ) is the Parent Company of the SyntheticMR Group. The operations of the Parent Company are essentially in line with the operations of the Group.

Share data and ownership

Share capital on 31 December 2021 amounted to 896,897 SEK and the number of shares to 40,400,780. A split of the share was carried out during May 2021, whereby one (1) existing share was divided into ten (10) shares. The new quota value per share is SEK 0.022. All shares have equal rights to the Group's assets and profits. One share entitles to one vote. The Group's shares were listed on October 18, 2013 at Spotlight Stock Market

Consolidated Income Statement and Other Comprehensive Income

TSEK	4 th quarter		Full year	
	2021	2020	2021	2020
Operating income				
Net sales	18,366	15,793	58,421	48,729
Own work capitalized	1,168	845	4,379	3,498
Other income	535	-1,735	2,479	-2,036
Total income and capitalized own work	20,068	14,904	65,278	50,192
Operating expenses				
Other external expenses	-6,136	-4,425	-20,675	-18,399
Employee benefit costs	-7,519	-6,329	-30,014	-26,907
Depreciation/amortization of tangible and intangible assets	-1,188	-1,062	-4,602	-4,020
Other operating costs	-	-	-	-
Operating profit	5,225	3,089	9,988	865
Results from financial items				
Result from financial income/expense, net	172	-4	436	-49
Profit for the period before tax	5,397	3,085	10,424	816
Tax on net profit for the period	-2 284	-73	-2,523	-152
Net profit for the period	3,113	3,012	7,900	663
Statement of comprehensive income				
Exchange rate differences	38	-54	54	-213
Other comprehensive income	38	-54	54	-213
Profit for the period	3,151	2,957	7,954	451
Earnings per share before and after dilution	0.08	0.07	0.20	0.01

Consolidated Balance Sheet

ASSETS		
TSEK	2021-12-31	2020-12-31
Fixed assets		
Capitalized development expenditure	10,403	9,354
Patent	1,774	1,359
Equipment	156	157
Rights of use assets	199	1,145
Other fixed assets	99	-
Total fixed assets	12,631	12,015
Current assets		
Accounts receivable	11,798	8,478
Other receivables	822	1,817
Prepaid expenses and accrued income	24,043	12,506
Cash and cash equivalents	11,552	13,004
Total current assets	48,215	35,805
TOTAL ASSETS	60,845	47,820
EQUITY AND LIABILITIES		
Equity		
Share capital	897	897
Other contributed capital	17,762	17,762
Reserves	-98	-152
Profit brought forward including profit for the period	27,574	19,672
Equity attributable to the Parent Company	46,134	38,179
Total equity	46,134	38,179
Non-current liabilities		
Long-term financial liabilities	0	203
Total non-current liabilities	0	203
Current liabilities		
Short-term financial liabilities	203	957
Accounts payable	2,580	1,143
Current tax liabilities	1,023	-
Other current liabilities	627	472
Accrued expenses and prepaid income	10,278	6,866
Total short-term liabilities	14,711	9,438
TOTAL EQUITY AND LIABILITIES	60,845	47,820

Consolidated statement of cash flow

	4 th quarter		Full year	
TSEK	2021	2020	2021	2020
Operating activities				
Operating profit	5,225	3,089	9,988	865
Adjustments for non-cash items				
Depreciation/amortization of tangible and intangible assets	1,188	1,062	4,602	4,020
Unrealized exchange rate differences	20	-	-326	-
Interest received	-	2	-2	2
Paid interest	-1	-6	-17	-51
Income tax paid	-467	1,028	-1,713	-2,468
Cash flow from operating activities before changes in working capital	5,965	5,175	12,531	-2,368
Changes in accounts receivable	-2,108	-505	-2,857	1,707
Changes in other receivable	-3,889	-2,892	-10,541	-12,464
Changes in accounts payable	675	-456	1,433	-623
Changes in other payable	438	-1,069	3,780	81
Cash flow from operating activities	1,080	253	4,346	-8,931
Investing activities				
Investment in intangible assets	-1,793	-1,442	-5,060	-5,555
Investment in tangible assets	-26	-	-46	-
Investment in other fixed assets	-110	-	-110	-
Cash flow from investing activities	-1,929	-1,442	-5,217	-5,555
Financing activities				
Paid dividend	-	-6,060	-	-6,060
Repayment of leases	-241	-245	-957	-984
Cash flow from financing activities	-241	-6,305	-957	-7,044
Cash flow for the period	-1,090	-7,494	-1,828	-21,530
Cash and cash equivalents opening balance	12,496	20,552	13,004	34,747
Exchange gain/loss on cash balances	146	-54	376	-213
Cash and cash equivalents, closing balance	11,552	13,004	11,552	13,004

Consolidated statement of changes in equity

TSEK	Share capital	Other contributed capital	Translation reserve	Profit brought forward	Total equity attributable to the Parent Company's owner
Opening equity January 1, 2020	897	17,762	61	25,069	43,789
Profit for the period				663	663
Other comprehensive income for the period			-213		-213
Total profit for the period			-152	663	450
Transaction with the Group's owner - dividend				-6,060	-6,060
Closing equity December 31, 2020	897	17,762	-152	19,672	38,179
Opening equity January 1, 2021	897	17,762	-152	19,672	38,179
Profit for the period				7,900	7,900
Other comprehensive income for the period			54		54
Total profit for the period			54	7,900	7,954
Transaction with the Group's owner – dividend					-
Closing equity December 31, 2021	897	17,762	-98	27,574	46,134

Consolidated key figures

	4 th quarter		Full year	
	2021	2020	2021	2020
Net sales, TSEK	18,366	15,793	58,421	48,729
Sales growth, %	16	49	20	6
Operating profit, TSEK	5,225	3,089	9,988	865
Operating margin, %	28	20	17	2
Net profit for the period, TSEK	3,113	3,012	7,900	663
Cash flow from operating activities, TSEK	1,080	253	4,346	-8,931
Shareholders equity, TSEK	46,134	38,179	46,134	38,179
Total assets, TSEK	60,845	47,820	60,845	47,820
Equity/assets ratio, %	75.8	79.8	75.8	79.8
Return on equity, %	19	2	19	2
Number of employees	26	24	25	23
Number of shares before/after dilution*	40,400,780	40,400,780	40,400,780	40,400,780
Average number of shares before/after dilution*	40,400,780	40,400,780	40,400,780	40,400,780
Per share data, SEK*				
Profit/loss per share before/after dilution	0.08	0.07	0.20	0.01
Cash flow per share from operating activities	0.03	0.01	0.11	-0.22
Equity per share before/after dilution	1.14	0.95	1.14	0.95
Dividend per share	-	-	-	-

• The comparative figures per share have been adjusted for the split implemented in May 2021.

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.

Parent Company Income Statement and Other Comprehensive Income

Income statement	4 th quarter		Full year	
	2021	2020	2021	2020
Operating income				
Net sales	16,040	14,336	48,085	41,345
Own work capitalized	1,168	845	4,379	3,498
Other income	535	-1,735	2,479	-2,036
Total income and capitalized own work	17,742	13,446	54,943	42,808
Operating expenses				
Other external expenses	-6,495	-5,735	-22,844	-21,320
Employee benefit expenses	-5,059	-4,003	-19,065	-18,293
Depreciation/amortization of tangible and intangible assets	-940	-817	-3,644	-3,028
Other operating expenses	-	-	-	-
Operating profit	5,248	2,892	9,390	169
Result from financial items				
Result from financial income/expense, net	273	40	549	21
Profit for the period before tax	5,522	2,932	9,939	190
Tax on profit for the period	-2,324	-58	-2,324	-58
Net profit for the period	3,198	2,874	7,615	132
Statement of comprehensive income				
Net profit for the period	3,198	2,874	7,615	132
Other comprehensive income	-	-	-	-
Comprehensive income for the period	3,198	2,874	7,615	132
Earnings per share before and after dilution	0.08	0.07	0.19	0.00

Parent Company balance sheet

ASSETS		
TSEK	2021-12-31	2020-12-31
Fixed assets		
Capitalized development expenditure	10,978	9,354
Patent	1,198	1,359
Equipment	156	157
Total fixed assets	12,333	10,870
Current assets		
Accounts receivable	7,275	7,688
Other receivables	492	1,816
Receivables from Group companies	12,215	4,707
Prepaid expenses and accrued income	13,926	6,696
Cash and bank balances	10,824	12,971
Total current assets	44,732	33,878
TOTAL ASSETS	57,065	44,748
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	897	897
Fund for development expenditures	12,187	7,102
Unrestricted equity		
Other paid-in capital	17,762	17,762
Retained earnings	6,945	11,900
Profit for the period	7,615	131
Total shareholders' equity	45,405	37,791
Current liabilities		
Accounts payable	2,489	1,136
Current tax liabilities	1,023	-
Other liabilities	606	447
Accrued expenses and prepaid income	7,541	5,374
Total current liabilities	11,660	6,957
TOTAL EQUITY AND LIABILITIES	57,065	44,748

Accounting policies

SyntheticMR applies the International Financial Reporting Standard (IFRS) as approved by the EU.

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act. The interim report for the parent company has been prepared in accordance with RFR 2, accounting for legal entities, and Chapter 9 of the Annual Accounts Act, Interim Report. The same accounting principles and calculation bases have been applied as in the most recent annual report, for more information see: applied accounting and valuation principles in the annual report for 2020.

The parent company's and the group's reporting and functional currency is Swedish kronor. All amounts in the interim report are, unless otherwise stated, presented in thousands of kronor. Rounding effects may occur.

When preparing the interim report, Group management is required to make assessments and estimates as well as make assumptions that affect SyntheticMR's results and position, as well as other information provided. Management evaluates these on an ongoing basis based on historical experience and expectations of future events that are considered reasonable under current conditions. The estimates for accounting purposes that result from these will, by definition, seldom correspond to the actual result. See the Group's annual report for 2020 for more information on estimates and assessments.

Disclosures in accordance with IAS 34. 16A appear not only in the financial statements but also in other parts of the interim report.

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

New standards, amendments and interpretations applied by the Group as of 1 January 2021

SyntheticMR has made the assessment that new and amended standards and interpretations have no effect on the Group's financial reports.

Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The result of an operating segment is further monitored by SyntheticMR's highest CEO, which the Group identifies as the CEO. Group management has determined the segments based on the information processed by the President and used as a basis for allocating resources and evaluating results. In this internal reporting, the Group constitutes a segment.

Disaggregation of revenue

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

	4 th quarter		Full year	
TSEK	2021	2020	2021	2020
<u>Geographical markets</u>				
Sweden	531	490	1,666	1,289
Other	17,835	15,303	56,755	47,440
Total	18,366	15,793	58,421	48,729
<u>Major service lines</u>				
Licenses	17,841	15,144	56,502	47,039
Service and Support	525	649	1,919	1,690
Total	18,366	15,793	58,421	48,729
<u>Timing of revenue recognition</u>				
Licenses transferred at a point in time	17,841	15,144	56,502	47,039
Services transferred over time	525	649	1,919	1,690
Total	18,366	15,793	58,421	48,729

Financial instruments

The Group holds the following financial assets and liabilities.

	Full year	
TSEK	2021	2020
Financial assets at amortized cost		
Cash and cash equivalents	11,552	13,004
Accounts receivables	11,798	8,478
Other financial assets	822	1,817
Total	24,172	23,299
Financial liabilities at amortized cost		
Accounts payable	2,580	1,143
Lease liability	203	1,160
Total	2,783	2,302

Financial assets and liabilities carried at amortised cost are considered to have carrying amounts that materially correspond to their fair value.

SyntheticMR in brief

SyntheticMR develops innovative analysis and imaging methods for magnetic resonance imaging (MRI) that can shorten examination times and at the same time deliver objective decision support to clinics.

SyntheticMR's product SyMRI measures the body's absolute tissue properties and generates several contrast-weighted images, automatic segmentation of biomarkers and quantitative data in a single examination. It provides clinics with objective data that facilitates diagnosis, follow-up and treatment of patients.

The product is currently sold directly to customers through our regional sales offices in the USA, India, Japan and Germany, as well as through partnerships with GE Healthcare, Siemens Healthineers, Philips Healthcare, Fujifilm and United Imaging.

The company was founded by Dr. Marcel Warntjes in 2007. The company has 25 employees globally and the head office is based in Linköping.

Strategy

SyntheticMR's long-term ambition is to replace conventional methods with quantitative technology as far as possible and establish the company's products as a standard of care in the global market.

SyntheticMR has a strong regional presence in four key regions: North America, Japan, India and 'DACH' - Germany, Austria and Switzerland. Through regional marketing activities and collaborations with OEM partners, the company can effectively reach the market. Through a business model based on time-limited licenses, the company builds a broad customer base for recurring sales of current and upcoming products.

SyntheticMR has had a license agreement since 2014 with GE Healthcare, one of the largest and leading MRI manufacturers globally. SyntheticMR also has collaboration and co-marketing agreements with Philips Healthcare since 2015 and Siemens Healthineers since 2016. Since 2020, SyntheticMR has been collaborating with the PACS supplier Fujifilm in the Japanese market. In 2021, a global licensing agreement was also signed with the Chinese MRI manufacturer United Imaging.

Through close cooperation with MR and PACS manufacturers, SyntheticMR has the opportunity to reach a large part of the market both in terms of installed base and newly produced MRI scanners.

SyntheticMR is an innovation company with the customer in focus, which strives to offer solutions with high clinical value that contribute to higher efficiency and precision in healthcare. Together with customers and the newly established Medical Advisory Board, SyntheticMR develops innovative solutions for solving clinical issues.

SyMRI

A conventional MRI examination is performed by running several sequences on the MRI scanner, where each sequence generates a black and white contrast-weighted image. The contrast-weighted images are based on an arbitrary grayscale where the radiologist estimates tissue types and volumes with the naked eye.

SyntheticMR's technology differs from conventional methods in that, instead of taking a grayscale image, it measures the absolute tissue properties and generates parametric maps of the anatomy. These parametric maps are used as a basis for synthetically recreating contrast-weighted images, which means that the assessment can be carried out faster than if the images were obtained conventionally.

The maps can be used for advanced tissue analysis, for example for the assessment of cartilage in patients with osteoarthritis. They also provide a basis for automatic tissue segmentation of, among other things, gray and white matter in the brain.

Faster workflow

An MRI scan of the brain can take up to 40-60 minutes, which means high costs for the radiology department and is inconvenient for the patient. With SyntheticMR's technology, the investigation can be accelerated by replacing some sequences. This is especially important in pediatrics, where the child is often sedated during the MRI examination. At the same time, healthcare can save large costs and shorten care queues, as more patients can be examined in one day.

Adjustable contrast images

The contrast images in SyMRI are synthetically recreated from quantitative data, allowing the user to adjust the contrast after the examination, when the patient has returned home. This reduces the risk of having to recall the patient if any contrast is missing and allows the doctor to adjust the images afterwards.

A fine-tuning of the contrast images is particularly useful in MSK, where it can help the radiologist to highlight tissues that may otherwise be difficult to see with conventional technology.

Segmentation of brain tissue

SyntheticMR's product package SyMRI NEURO includes automatic estimation and segmentation of brain tissue, which offers increased decision support to radiologists and referring physicians.

SyMRI NEURO contains and segmentation of white and gray matter as well as cerebrospinal fluid. As the first product on the market, SyMRI NEURO also includes segmentation and volume calculations of myelin.

Myelin is a substance that forms an insulating layer around axons in the brain and makes nerve signals travel faster. It is especially important to be able to measure myelin in pediatrics, where measured values beyond the normal are linked to several diseases such as Sturge-Weber syndrome, ADHD and autism. Measuring myelin is also important in neurodegenerative diseases such as dementia and multiple sclerosis (MS).

SyMRI can also calculate the Brain Parenchymal Fraction (BPF), which is used to follow up brain atrophy, the loss of brain tissue that occurs in connection with neurodegenerative diseases such as MS. The doctor can also mark out and calculate volumes in, for example, tumors or lesions.

The segmentation can thus provide a quick overview of the patient and can contribute to a faster diagnosis and more effective follow-up of the patient.

Product packages

SyMRI NEURO can speed up MRI scans of the brain at the same time as it provides objective decision support to the radiologist and the referring doctor. Based on a single 4-6 minutes sequence, it delivers quantitative tissue maps, contrast-weighted images, and advanced quantitative solutions for volume measurements of brain tissue.

SyMRI MSK can be used on the musculoskeletal system, including the knees and spine. It delivers quantitative tissue maps, SyMAPS, as well as several contrast-weighted images that are adjustable afterwards, which gives the radiologist the opportunity to optimize the images to illuminate different tissues depending on pathology. SyMRI MSK also supplies parametric T2 maps to examine cartilage which, among other things, can be used in osteoarthritis.

Review

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

Annual general meeting (AGM)

The AGM is scheduled to take place in SyntheticMRs office on May 10th, 2022, at 18:00 Storgatan 11, Linköping.

Further information on registration for the AGM and Board of Directors proposals for decision points will be published on the company's website in connection with the notice of the AGM.

Dividend proposal

For the financial year 2021, the Board of Directors of SyntheticMR propose that no dividend is paid.

Financial Calendar

Annual General Meeting 2022 - May 10th, 2022
Interim report Jan-Mar 2022 - May 10th, 2022

The annual report will be available no later than April 8, 2022 on the company's website.

For further information

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This is a translation of the Swedish version of the report. When in doubt, the Swedish wording prevails.

This disclosure contains information that SyntheticMR AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person set out above, on February 22nd, 2022.

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 Parent company's and the Group's position and results and describes significant risks and uncertainties faced by the Parent company and by the Group.

Stockholm February 22nd 2022
SyntheticMR AB (publ)

Board of Directors