

Interim report July – September 2023

SyntheticMR AB (publ)

Q1

Q2

Q3

Q4



Third quarter in brief

- Net sales amounted to 21.7 million SEK (19.0), which means a sales growth of 14 percent.
- Operating profit amounted to 4.5 million SEK (4.4).
- Net profit for the period amounted to 4.1 million SEK (4.1).
- Earnings per share amounted to 0.10 SEK (0.11).

First nine months in brief

- Net sales for the first nine months amounted to 59.1 million SEK (47.6), which means a sales growth of 24 percent.
- Operating profit amounted to 5.3 million SEK (5.1).
- Profit for the period amounted to 5.4 million SEK (5.4).
- Earnings per share amounted to 0.13 SEK (0.14).

Significant events during the third quarter

The Central Government Health Scheme in India recommends SyMRI to be evaluated being included as standard in examination protocols across the country.

Significant events during the first nine months

During the first quarter SyMRI received regulatory approvals in Singapore, UK and Canada. After the approvals, we have received our first orders in Canada and Singapore.

During the second quarter SyMRI received regulatory approval in South Korea. After the approval, we have received several orders.

Significant events after the third quarter

Nothing to report.

Key ratios

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net sales, TSEK	21,708	19,034	59,094	47,631	68,271
Sales growth, %	14	40	24	19	17
Operating profit, TSEK	4,519	4,393	5,302	5,144	7,223
Operating margin, %	21	23	9	11	11
Net profit for the period, TSEK	4,085	4,093	5,431	5,352	5,879
Profit/loss per share before/after dilution, SEK	0.10	0.11	0.13	0.14	0.15

CEO comments

Continued sales growth

The third quarter is another quarter that shows that we are on the right track. Sales amounted to SEK 21.7 million kronor (19.0), half a million kronor higher than the sales record last three-month period. This corresponds to organic growth of 14 percent compared to the strong third quarter of last year. Operating profit amounted to SEK 4.5 million kronor (4.4). The margin of 21 percent is for certain slightly lower than last year's 23 percent, but since we now have the resources we need to reach expected sales volumes, I am not concerned. We have the conditions to continue growing sales with increasing margins. I am also satisfied with our control of costs and capital formation. The cash balance will continue to grow until the end of the year. After three quarters, we are in line with our plan to achieve our goals for the full year.

SyMRI in clinical practice

SyMRI is increasingly being established as a standard in the healthcare. The development is most evident in the markets in which we have previously prioritized resources. There are many customers who have been provided with our solution and thus a faster workflow and access to objective decision support. It is pleasing that we already have good experiences also in the markets where SyMRI was approved for clinical use relatively recently. An example comes from a world-leading hospital in Canada and a clinical neuroradiologist with an interest in neonatal imaging and pediatric multiple sclerosis. Here they highlight the great value of quantifying brain volumes. Especially the important biomarker myelin that is uniquely provided by SyMRI. The customer's experience is summed up in the fact that the product is so easy to use and adds enormous value to the operations in the hospital.

Another example comes from a very reputable hospital in Brazil. The Albert Einstein Hospital has used SyMRI in several thousand examinations in the past six months. Great value with SyMRI is seen, among other things, in the efficient workflow and access to quantitative volumes of myelin in the brain.



"The third quarter is another quarter that shows that we are on the right track."

Recently we informed about a very positive news from India. The Central Government Health Scheme recommends SyMRI to be evaluated being included as standard in examination protocols across the country. More specifically, potentially it means that the quantification of myelin in the brain is used as a biomarker for patients suffering from, for example, multiple sclerosis, traumatic brain injury and neurodegenerative diseases. By estimating the pattern of myelin loss through quantitative values, our software aids in diagnosis and treatment. A positive outcome of the evaluation will likely significantly increase the number of tenders where SyMRI is included as a mandatory requirement.

Next step in the development

The positive response in the market and the use of SyMRI in healthcare is clearly growing in scope. In the near future, we will also offer next-generation SyMRI in 3D. The clinical value increases and we will change the pricing in relation to that. The launch also strengthens us in our endeavor to support a faster workflow and provide objective decision support to healthcare. We continuously increase the efficiency of our sales organization. I am also satisfied with the effectiveness of our investments in research and development. Together with our partners, we optimize total resources to market and sell SyMRI globally of both current and next generation. We continuously improve the conditions to establish SyMRI as a standard in healthcare and with undiminished energy we continue to implement our growth plan.

Ulrik Harrysson
CEO SyntheticMR

Financial information

Third quarter, July – September 2023

Net sales for the third quarter increased with 14 percent compared to the same period last year and amounted to 21,708 thousand SEK (19,034). The increase is attributed to both direct sales and sales to partners.

Furthermore, changes in the exchange rate against the dollar and the euro had a negative effect of -272 thousand SEK.

Operating expenses in the third quarter were higher compared with the same period last year and amounted to -18,432 thousand SEK (-17,597). The expenses are mainly attributed to increased investments in commercial resources and activities.

Operating profit for the quarter was 4,519 thousand SEK (4,393), corresponding to an operating margin of 21 percent (23). Tax on profit for quarter amounted to -451 thousand SEK (-1,217). Total profit after tax amounted to 3,962 thousand SEK (4,405), which resulted in earnings per share of 0.10 SEK (0.11).

In the third quarter, cash flow from operating activities amounted to 2,010 thousand SEK (-3,771).

First nine months, Jan-Sep 2023

Net sales of the first nine months 2023 amounted to 59,094 thousand SEK (47,631), which corresponds to an increase of 24 percent. The increase is attributed to both direct sales and sales to partners.

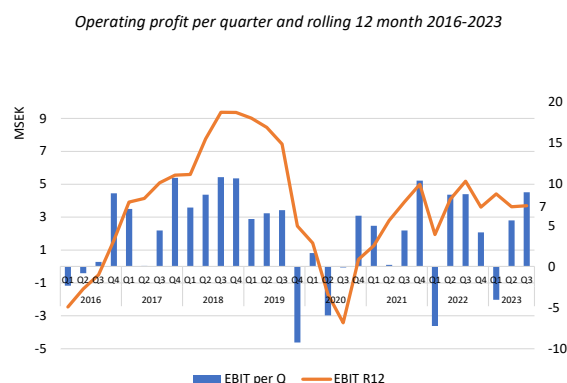
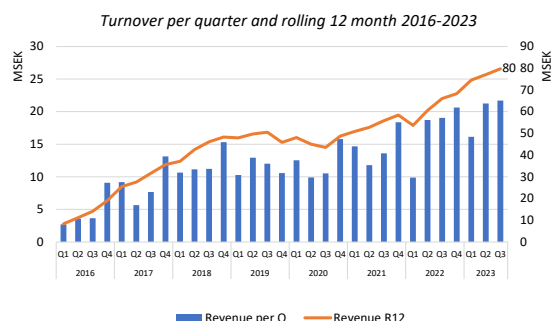
The costs for the first nine months 2023 amounted to -58,074 thousand SEK compared to -49,454 thousand SEK last year. The expenses are mainly attributed to increased investments in commercial resources and activities.

Furthermore, changes in the exchange rate against the dollar and the euro had a positive effect of 343 thousand SEK within the first nine months.

Furthermore, the Group has more employees and at the end of the third quarter there were 40 employees, compared with 28 persons at the same time last year.

Operating profit amounted to 5,302 thousand SEK (5,144), which corresponds to an operating margin of 9 percent (11). Tax on earnings amounted to -906 thousand SEK (-1,695). Total profit after tax for the first nine months amounted to 5,303 thousand SEK (5,847), which resulted in earnings per share of 0.13 SEK (0.14).

Cash flow from operating activities amounted to -4,302 thousand SEK (-10,302). As of September 30, 2023 the Group's cash and cash equivalents amounted to 27,785 thousand SEK (47,946).



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 third quarter amounted to 1,588 thousand SEK (2,971). The corresponding figure for the first nine months is 6,654 thousand SEK (7,654). Investments in intangible assets relates to capitalized development costs and patents.

Financial position

The Group's total assets amounted to 134,089 thousand SEK on September 30, 2023, compared to 129,545 on June 30, 2023. The equity/assets ratio was for the same period 83.8 percent (83.7). At the end of the period, current receivables amounted to 82,587 thousand SEK (77,640), whereof 14,501 thousand SEK (17,879) related to account receivables and 63,642 thousand SEK (55,366) related to accrued revenue.

Shareholders' equity at the end of the period amounted to 112,431 thousand SEK (108,468). The Group has no interest-bearing liabilities other than lease liabilities.

Related party transactions

During the third quarter, transactions with related parties amounts to 220 thousand SEK. For the first nine months the amount is 860 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.

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 2022 and relates to financial and operational risks. No other significant risks and uncertainties than those described in the 2022 annual report have been identified in 2023.

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 September 30, 2023, amounted to 924,647 SEK and the number of shares to 41,650,780. The 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

	3 rd quarter		First nine months		Full year
TSEK	2023	2022	2023	2022	2022
Operating income					
Net sales	21,708	19,034	59,094	47,631	68,271
Own work capitalized	1,243	1,455	3,938	3,877	5,307
Other income	-	1,501	343	3,091	2,708
Total income and capitalized own work	22,951	21,991	63,376	54,598	76,286
Operating expenses					
Other external expenses	-6,459	-7,973	-22,229	-20,557	-28,636
Employee benefit costs	-10,105	-8,304	-31,250	-25,112	-35,253
Depreciation/amortization of tangible and intangible assets	-1,596	-1,320	-4,595	-3,785	-5,174
Other operating costs	-272	-	-	-	-
Operating profit	4,519	4,393	5,302	5,144	7,223
Results from financial items					
Result from financial income/expense, net	17	917	1,036	1,903	689
Profit for the period before tax	4,536	5,311	6,337	7,047	7,912
Tax on net profit for the period	-451	-1,217	-906	-1,695	-2,033
Net profit for the period	4,085	4,093	5,431	5,352	5,879
Statement of comprehensive income					
Exchange rate differences	-123	312	-128	495	468
Other comprehensive income	-123	312	-128	495	468
Profit for the period	3,962	4,405	5,303	5,847	6,347
Earnings per share before and after dilution	0.10	0.11	0.13	0.14	0.15

Consolidated Balance Sheet

ASSETS

TSEK	2023-09-30	2022-09-30	2022-12-31
Fixed assets			
Capitalized development expenditure	20,304	15,821	17,327
Patent	1,023	1,050	1,073
Equipment	489	257	236
Rights of use assets	1,492	2,503	2,251
Other fixed assets	409	191	244
Total fixed assets	23,716	19,821	21,130
Current assets			
Accounts receivable	14,501	15,460	17,167
Current tax assets	1,115	-	-
Other receivables	1,339	1,009	994
Prepaid expenses and accrued income*	65,633	42,425	47,643
Cash and cash equivalents	27,785	47,946	40,498
Total current assets	110,373	106,840	106,302
TOTAL ASSETS	134,089	126,661	127,432

EQUITY AND LIABILITIES

Equity			
Share capital	925	925	925
Other contributed capital	72,380	72,380	72,380
Reserves	242	397	370
Profit brought forward including profit for the period	38,884	32,926	33,453
Equity attributable to the Parent Company	112,431	106,628	107,127
Total equity	112,431	106,628	107,127
Non-current liabilities			
Long-term financial liabilities	494	1,518	1,264
Total non-current liabilities	494	1,518	1,264
Current liabilities			
Short-term financial liabilities	1,024	1,004	1,009
Accounts payable	2,452	2,643	2,124
Current tax liabilities	-	1,754	639
Other current liabilities	2,015	698	1,743
Accrued expenses and prepaid income	15,674	12,417	13,526
Total short-term liabilities	21,164	18,516	19,041
TOTAL EQUITY AND LIABILITIES	134,089	126,661	127,432

* Accrued revenue amounted to 63,642 thousand SEK on September 30, 2023, compared to 40,772 thousand SEK on September 30, 2022, and 45,831 thousand SEK on December 31, 2022.

Consolidated statement of cash flow

	3 rd quarter		First nine months		Full year
TSEK	2023	2022	2023	2022	2022
Operating activities					
Operating profit	4,519	4,393	5,302	5,144	7,223
Adjustments for non-cash items					
Depreciation/amortization of tangible and intangible assets	1,596	1,320	4,595	3,785	5,174
Unrealized exchange rate differences	1,058	1,620	404	2,223	-2,444
Interest received	14	-	27	-	-
Paid interest	-8	-13	-45	-37	-53
Income tax paid	-781	-467	-3,212	-1,380	-1,938
Cash flow from operating activities before changes in working capital	6,398	6,853	7,070	9,735	7,963
Changes in accounts receivable	2,969	-1,287	2,878	-3,303	-4,487
Changes in other receivable	-8,350	-6,451	-17,377	-14,884	-21,484
Changes in accounts payable	1,053	-82	343	56	-479
Changes in other payable	-59	-2 805	2,785	-1,907	3,246
Cash flow from operating activities	2,010	-3,771	-4,302	-10,302	-15,241
Investing activities					
Investment in intangible assets	-1,588	-2,971	-6,654	-7,654	-10,344
Investment in tangible assets	-	-52	-363	-152	-152
Investment in other fixed assets	-125	-70	-165	-137	-
Cash flow from investing activities	-1,713	-3,093	-7,182	-7,942	-10,495
Financing activities					
Paid dividend	-	-	-	-	-
New share issue	-	-	-	60,000	60,000
Issue expenses	-	-	-	-5,354	-5,354
Repayment of leases	-253	-248	-755	-715	-964
Cash flow from financing activities	-253	-248	-755	53,931	53,682
Cash flow for the period	45	-7,113	-12,238	35,687	27,945
Cash and cash equivalents opening balance	28,305	54,933	40,498	11,552	11,552
Exchange gain/loss on cash balances	-565	125	-475	707	1002
Cash and cash equivalents, closing balance	27,785	47,946	27,785	47,946	40,498

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, 2022	897	17,762	-98	27,574	46,134
Profit for the period	-	-	-	5,352	5,352
Other comprehensive income for the period	-	-	495	-	495
Total profit for the period	-	-	495	5,352	5,847
New share issue	28	59,972	-	-	60,000
Issue expenses	-	-5,354	-	-	-5,354
Transaction with the Group's owner - dividend	-	-	-	-	-
Closing equity September 30, 2022	925	72,380	397	32,926	106,628

Opening equity January 1, 2023	925	72,380	370	33,453	107,127
Profit for the period	-	-	-	5,431	5,431
Other comprehensive income for the period	-	-	-128	-	-128
Total profit for the period	-	-	-128	5,431	5,303
New share issue	-	-	-	-	-
Issue expenses	-	-	-	-	-
Transaction with the Group's owner – dividend	-	-	-	-	-
Closing equity September 30, 2023	925	72,380	242	38,884	112,431

Consolidated key figures

	3 rd quarter		First nine months		Full year
	2023	2022	2023	2022	2022
Net sales, TSEK	21,708	19,034	59,094	47,631	68,271
Sales growth, %	14	40	24	19	17
Operating profit, TSEK	4,519	4,393	5,302	5,144	7,223
Operating margin, %	21	23	9	11	11
Net profit for the period, TSEK	4,085	4,093	5,431	5,352	5,879
Cash flow from operating activities, TSEK	2,010	-3 771	-4,302	-10,302	-15,241
Shareholders equity, TSEK	112,431	106,628	112,431	106,628	107,127
Total assets, TSEK	134,089	126,661	134,089	126,661	127,432
Equity/assets ratio, %	83.8	84.2	83.8	84.2	84.1
Return on equity, %	6	11	6	11	7
Number of employees	40	28	34	27	27
Number of shares before/after dilution*	41,650,780	41,650,780	41,650,780	41,650,780	41,650,780
Average number of shares before/after dilution*	41,650,780	41,013,779	41,650,780	41,013,779	41,332,287
Per share data, SEK*					
Profit/loss per share before/after dilution	0.10	0.11	0.13	0.14	0.15
Cash flow per share from operating activities	0.05	-0.09	-0.10	-0.25	-0.37
Equity per share before/after dilution	2.70	2.56	2.70	2.56	2.57
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.

Parent Company Income Statement and Other Comprehensive Income

Income statement	3 rd quarter		First nine months		Full year
TSEK	2023	2022	2023	2022	2022
Operating income					
Net sales	12,885	14,089	38,783	35,358	48,819
Own work capitalized	1,243	1,455	3,938	3,877	5,307
Other income	-	1,514	361	3,131	4,812
Total income and capitalized own work	14,128	17,058	43,082	42,365	58,937
Operating expenses					
Other external expenses	-6,423	-6,994	-21,608	-19,144	-26,664
Employee benefit expenses	-4,579	-4,731	-16,449	-15,450	-21,530
Depreciation/amortization of tangible and intangible assets	-1,344	-1,044	-3,837	-3,011	-4,193
Other operating expenses	-272	-	-	-	-
Operating profit	1,511	4,290	1,188	4,761	6,551
Result from financial items					
Result from financial income/expense, net	25	930	1,065	1,940	958
Profit for the period before tax	1,536	5,220	2,252	6,701	7,509
Tax on profit for the period	-451	-1,164	-902	-1,565	-1,885
Net profit for the period	1,085	4,056	1,351	5,136	5,624
Statement of comprehensive income					
Net profit for the period	1,085	4,056	1,351	5,136	5,624
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	1,085	4,056	1,351	5,136	5,624
Earnings per share before and after dilution	0.03	0.10	0.03	0.12	0.14

Parent Company balance sheet

ASSETS

TSEK	2023-09-30	2022-09-30	2022-12-31
Fixed assets			
Capitalized development expenditure	20,304	15,821	17,327
Patent	1,023	1,050	1,073
Equipment	489	257	236
Shares in subsidiaries	393	393	393
Total fixed assets	22,208	17,520	19,029
Current assets			
Accounts receivable	8,968	12,773	11,515
Current tax assets	1,388	-	-
Other receivables	1,081	760	994
Receivables from Group companies	33,804	21,975	27,616
Prepaid expenses and accrued income	29,285	17,943	18,836
Cash and bank balances	22,997	47,203	40,009
Total current assets	97,522	100,654	98,971
TOTAL ASSETS	119,730	118,173	118,000

EQUITY AND LIABILITIES

Restricted equity			
Share capital	925	925	925
Fund for development expenditures	21,327	16,870	18,400
Unrestricted equity			
Other paid-in capital	72,380	72,380	72,380
Retained earnings	11,044	9,877	8,347
Profit for the period	1,351	5,136	5,624
Total shareholders' equity	107,026	105,188	105,675
Current liabilities			
Accounts payable	2,313	2,499	1,912
Current tax liabilities	-	1,754	589
Other liabilities	1,602	644	1,738
Accrued expenses and prepaid income	8,789	8,088	8,086
Total current liabilities	12,704	12,985	12,325
TOTAL EQUITY AND LIABILITIES	119,730	118,173	118,000

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 2022.

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 2022 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 January 1, 2023

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 two customers whose turnover exceeds 10 percent of the Group's total net sales.

	3 rd quarter		First nine months		Full year
TSEK	2023	2022	2023	2022	2022
<u>Geographical markets</u>					
Sweden	395	101	1,374	2,122	2,266
Other	21,313	18,933	57,720	45,509	66,005
Total	21,708	19,034	59,094	47,631	68,271
<u>Major service lines</u>					
Licenses	21,053	18,438	57,181	45,840	65,878
Service and Support	655	596	1,913	1,791	2,393
Total	21,708	19,034	59,094	47,631	68,271
<u>Timing of revenue recognition</u>					
Licenses transferred at a point in time	21,053	18,438	57,181	45,840	65,878
Services transferred over time	655	596	1,913	1,791	2,393
Total	21,708	19,034	59,094	47,631	68,271

Financial instruments

The Group holds the following financial assets and liabilities.

	3 rd quarter		Full year
TSEK	2023	2022	2022
Financial assets at amortized cost			
Cash and cash equivalents	27,785	47,946	40,498
Accounts receivables	14,501	15,460	17,167
Other financial assets	1,339	1,009	994
Total	43,625	64,415	58,659
Financial liabilities at amortized cost			
Accounts payable	2,452	2,643	2,124
Lease liability	1,518	2,522	2,273
Total	3,970	5,165	4,397

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 imaging solutions that can speed up the imaging workflow and deliver objective decision support to clinics.

SyntheticMR's solution SyMRI measures the body's absolute tissue properties and generates multiple contrast weighted images, automatic segmentation of biomarkers and quantitative data in a single examination. This delivers objective data that can improve diagnosis, monitoring, and treatment of patients.

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

The company was founded by Dr. Marcel Warntjes in 2007. At the end of the quarter the company had 40 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 Europe. 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 brain examinations as well as deliver objective decision support to the radiologist and the referring doctor. Based on a single 5-minute sequence, it provides multiple contrast-weighted images that can speed up the workflow and improve the patient's experience.

SyMRI MSK can be used on knees and spine. The product delivers several contrast-weighted images that are adjustable post-scan, which enables the radiologist to optimize the images to illuminate different tissues depending on pathology.

Review

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

Financial Calendar

Year-end report Jan-Dec 2023 - Feb 20th, 2024.
Annual General Meeting 2024 - May 21st, 2024.
Interim report Jan-Mar 2024 - May 21st, 2024.

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 November 10th, 2023.

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 November 10th, 2023
SyntheticMR AB (publ)

Board of Directors