

# Year-End report January – December 2024

## SyntheticMR AB (publ)

Q1

Q2

Q3

# Q4



## Fourth quarter in brief

- Net sales amounted to 12.6 million SEK (30.1), which means a decrease in sales of 58 percent.
- Operating profit amounted to -7,5 million SEK (8.8), corresponding to an operating margin of -59 percent (29). Adjusted for acquisition costs of 1,8 million SEK, which are reported as an item affecting comparability, the operating profit amounts to -5,6 million SEK.
- Net profit for the period amounted to -5,3 million SEK (4.6).
- Earnings per share before dilution amounted to -0.14 SEK (0.10).

## Full year January – December in brief

- Net sales for the full year 2024 amounted to 55.7 million SEK (89.2), which means a decrease in sales of 38 percent.
- Operating profit amounted to -18.3 million SEK (14.1), implying an operating margin of -33 percent (16). Adjusted for acquisition costs of 1,8 million SEK, which are reported as an item affecting comparability, the operating profit amounts to -16,5 million SEK.
- Profit for the period amounted to -16.1 million SEK (10).
- Earnings per share before dilution amounted to -0.39 SEK (0.23).

## Significant events during the fourth quarter

During the fourth quarter, the purchase of Combinostics Oy was announced. It was also resolved that a rights issue would be carried out.

SyntheticMR has received FDA 510K approval for SyMRI 15 (3D).

December 4<sup>th</sup> 2024 Vedran Beglerbegovic was appointed acting CEO of SyntheticMR during Ulrik Harryssons sick leave.

SyMRI 15 (3D) has received regulatory approval in Australia.

## Significant events during the full year 2024

In February 2024, the extraordinary general meeting decided to establish a long-term incentive program. For more information, see the company website.

SyntheticMR's version 15 (3D) of SyMRI have been CE- marked and have received FDA 510K approval. SyMRI 15 (3D) received regulatory approval in the UK, Switzerland and Australia.

July 9<sup>th</sup> 2024, a press release was sent regarding estimated net sales for the second quarter.

During the fourth quarter, we announced our first acquisition, Combinostics Oy. The acquisition was completed on 2 January 2025 and was financed by a rights issue.

December 4<sup>th</sup> 2024 Vedran Beglerbegovic was appointed acting CEO of SyntheticMR during Ulrik Harryssons sick leave.

## Significant events after the fourth quarter

SyntheticMR completes the acquisition of Combinostics Oy on the 2<sup>nd</sup> of January 2025.

The acquisition of Combinostics Oy was completed on January 2, 2025. The rights issue was fully subscribed and closed in January.

17<sup>th</sup> of January 2025, Ulrik Harrysson resigned as CEO and Vedran Beglerbegovic was appointed as the new CEO of SyntheticMR.

21<sup>st</sup> of January 2025 Vedran Beglerbegovic resigned as CEO of SyntheticMR and Johanna Norén was appointed acting CEO.

SyMRI 15 (3D) has been regulatory approved in Japan.

Key ratios	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales, TSEK	12,638	30,119	55,671	89,213
Sales growth, %	-58	46	-38	31
Operating profit, TSEK	-7,450	8,775	-18,301	14,077
Operating margin, %	-59	29	-33	16
Net profit for the period, TSEK	-5,264	4,582	-16,084	10,014
Profit/loss per share before dilution, SEK	-0.14	0.10	-0.39	0.23
Profit/loss per share after dilution, SEK	-0.14	0.10	-0.39	0.23
Adjusted operating profit for acquisition costs, TSEK	-5,641	-	-16,492	-
Adjusted operating margin, %	-45	-	-30	-

## CEO comments

### Focus ahead after a weak 2024

Sales in the fourth quarter amounted to 12.6 million SEK (30.1), which was below our expectations and the main reasons are in line with previous quarters.

The establishment of our new and stronger sales organization in the US has taken longer than expected and has had a negative effect on our turnover in the fourth quarter as well. We are pleased to see that sales have now started in the US subsidiary, although they are still at a too low level.

The 2024 Indian elections have temporarily affected healthcare budgets and hospitals' purchasing power. This has led to procurement being put on hold for most of 2024. We are now seeing signs that the market is recovering in early 2025.

We continue to have good cost control. Adjusted for the booked acquisition costs for Combinostics in the fourth quarter, we have a lower cost picture this year compared to the corresponding quarter in 2023. The lower costs in the quarter are mainly attributable to reduced personnel costs.

During the quarter, we had a positive change in our working capital of SEK 3.7 million (-13.7), which is largely due to a decrease in our accrued income. This means that cash flow from operating activities is in line with the previous year at -2.8 million SEK (-2.8), despite a lower operating profit of -7.4 million SEK (8.8).

### Summary of 2024

The organizational change in our US subsidiary during the second quarter negatively affected sales for most of 2024. When the current US manager chose to leave our company, and our top salesperson also went to the same company, it had major consequences for sales in the coming months. When reviewing the remaining pipeline, it turned out that it lacked substance and was almost empty. During the late summer, a new US manager was recruited and the focus during the autumn has been on building a new funnel and relationships with new and existing customers.

It has also been a challenging year for the hospitals. The Indian election led to a pause in hospital orders and procurement. We have also seen that hospitals in Europe have been cautious with their budgets after inflation in 2023, which meant that most of them were running large deficits. This has affected new investments to a greater extent than the hospitals' operating costs. The political turbulence in Korea at the end of the year has also had some impact on our company.



*"We see continued growth in ARR regarding Combinostics in the beginning of 2025. In addition, we are pleased with continued good cost control. The synergy effects regarding costs now add up to more than SEK 10 million on an annual basis."*

In the spring of 2024, our 3D product received regulatory approval in Europe and in December we received regulatory approval in the US. Our release of 3D has been ongoing for a longer period. Despite our own regulatory approvals of the product, the robust release processes at OEMs have created delays. The launch of 3D is dependent on the OEMs registering the product and market establishment of our sequence on the camera. We are facing a technological shift that gives us positive opportunities, but in the short term has meant that some of our customers have chosen to pause their orders for 2D to wait for 3D. This has had a negative impact on the order intake for 2024.

During the fourth quarter, we announced our first acquisition, Combinostics Oy. The acquisition was completed on January 2, 2025 and was financed by a rights issue. This is a strategic acquisition that strengthens our product, and it will also strengthen our customer offering with a shortened time to market. The dialogue with Combinostics was initiated already in 2023. Given that our own valuation decreased sharply in 2024, the timing of an acquisition involving a share issue was not the best, but we could not control that. The deal as such meant that we managed to acquire a strategic asset at an attractive price. As previously communicated, the purchase price for the acquisition amounted to approximately 49.6 million SEK. We interpret the oversubscription in the issue as our owners understanding the logic of the acquisition and we are grateful for that trust. At the end of 2024, the annual recurring revenue (ARR) amounted to 8.6 million SEK compared to 6.2 million SEK at the end of 2023. The net sales for Combinostics amounted to 9.1 million SEK for the full year 2024.

### **Short-term priorities**

In 2025, one of our focus areas will of course be to regain sales capacity in our regions. Partly through our own operational capabilities, partly by ensuring that hospitals that want to invest in our products have budgets in 2025 and that external factors such as elections or disturbances do not disrupt our business operations.

The integration of Combinostics brings both short- and long-term expectations. SyntheticMR's new product portfolio that includes Combinostics gives a wider arsenal in customer meetings for our salespeople and offers a more attractive portfolio for our OEM partners. In the short term, we intend to address Alzheimer's disease and clinical applicability.

With regards to the acquisition that has been completed, we have also optimized the organization to achieve the best possible efficiency. Our acquisition means that our investment needs have been redistributed. The synergy effects of the acquisition lead to a reduction in the number of employees, primarily in the Swedish organization. In full, this means a cost saving of at least 10 million SEK on an annual basis. The implemented cost savings will start

to give effect during the end of the second quarter and will have full effect from the end of the third quarter.

### **Long-term priorities**

In the long term, we will ensure our product market fit with Combinostics and the feedback we have received from our customers where they want the combination of the two offerings. The focus has historically been on disease diagnostics, but we also see a rapidly growing demand driven by innovation from pharmaceutical companies that allows us to provide objective biomarkers for monitoring drug effects. Today, MRI capacity is a bottleneck for e.g. new Alzheimer's drugs where patients must be continuously examined for serious, but uncommon, side effects.

In the long term, the combination of our products is attractive for further development of biomarkers for, among other things, MS and dementia. This will consequently be a long-term priority to package and consolidate the product offering in these channels and have a clear strategy for how we cooperate with the manufacturers of MR cameras.

Although we have just experienced a difficult 2024, we have strong confidence in the value SyntheticMR can bring to healthcare and an ambition to become a world leader in this global niche market that requires years of cutting-edge technology development. We also believe that over time, it is possible to consolidate the market through acquisitions to create a stronger position and achieve economies of scale that are valuable to both customers and shareholders.

### **In conclusion**

After a tough 2024, early sales in the first quarter of 2025 look promising.

Vedran Beglerbegovic is back in the company in the COO role.

We are aware of the importance of rebuilding shareholder trust. We are a strong and motivated team that, together with our board and partners, is ready for 2025.

Johanna Norén  
Acting CEO SyntheticMR

## Financial information

### Fourth quarter, October – December 2024

Net sales for the fourth quarter decreased 58 percent compared to the same period last year and amounted to 12,638 thousand SEK (30,119). The decrease is mainly attributed to previously communicated events in the North America organization and the Indian election.

Operating expenses in the fourth quarter were lower compared with the same period last year and amounted to -22,120 thousand SEK (-22,564). The decrease in expenses is mainly attributed to lower personnel costs. 1,809 thousand SEK of the expenses relates to acquisition costs which are reported as an item affecting comparability.

During the quarter, the operating profit was positively affected by 448 thousand SEK attributable to exchange rate changes mainly in USD and EUR.

Operating profit for the quarter was -7,450 thousand SEK (8,775), corresponding to an operating margin of -59 percent (29). Adjusted for acquisition costs of 1,809 thousand SEK, the operating profit amounts to -5,641 thousand SEK.

Tax on profit for quarter amounted to -83 thousand SEK (-2,161). Total profit after tax amounted to -5,969 thousand SEK (4,141), which resulted in earnings per share before dilution of -0.14 SEK (0.10).

In the fourth quarter, cash flow from operating activities amounted to -2,790 thousand SEK (-2,796).

### Full Year, January – December 2024

Net sales of the full year of 2024 amounted to 55,671 thousand SEK (89,213), which corresponds to a decrease of 38 percent. The decrease is mainly attributed to previously communicated events in the North America organization and the Indian election.

The costs for the full year of 2024 amounted to -81,523 thousand SEK compared to -80,295 thousand SEK last year. The expenses are mainly attributed to investments in commercial resources and activities. 1,809 TSEK of the expenses relates to acquisition costs which are reported as an item affecting comparability.

During 2024, changes in the exchange rate against the dollar and the euro had a positive effect of 1,324 thousand SEK.

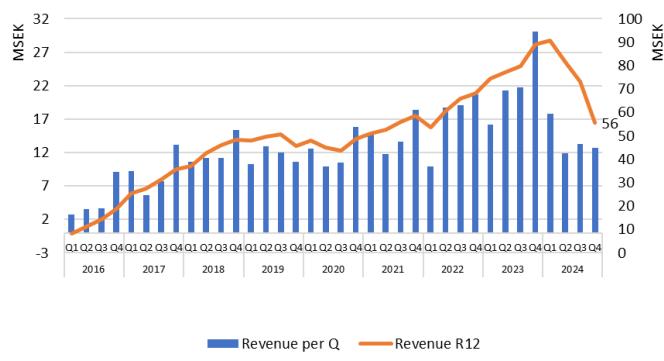
Furthermore, the Group has more employees and at the end of the quarter there were 40 employees, compared with 37 people at the same time last year.

Operating profit amounted to -18,301 thousand SEK (14,077), which corresponds to an operating margin of -33 percent (16). Adjusted for acquisition costs of 1,809 thousand SEK, the operating profit amounts to -16,492 thousand SEK.

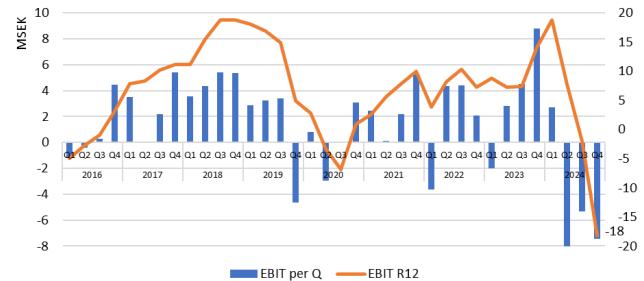
Tax on earnings amounted to -153 thousand SEK (-3,067). Total profit after tax for the full year amounted to -16,377 thousand SEK (9,445), which resulted in earnings per share before dilution of -0.39 SEK (0.23).

Cash flow from operating activities amounted to -1,713 thousand SEK (-6,964). As of December 31, 2024 the Group's cash and cash equivalents amounted to 51,010 thousand SEK (21,320).

Turnover per quarter and rolling 12 month 2016-2024



Operating profit per quarter and rolling 12 month 2016-2024



## 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 2,363 thousand SEK (2,475). The corresponding figure for the full year is 8,657 thousand SEK (9,129). Investments in intangible assets relate to capitalized development costs and patents.

## Financial position

The Group's total assets amounted to 172,538 thousand SEK on December 31, 2024, compared to 132,616 on September 30, 2024. The equity/assets ratio was for the same period 58.7 percent (80.8). At the end of the period, current receivables amounted to 92,067 thousand SEK (90,251), whereof 30,921 thousand SEK (23,963) related to account receivables and 54,831 thousand SEK (60,609) related to contract assets. Of the contract assets, 13.9 million SEK are expected to be invoiced in year 1, 7.0 million SEK in year 2, 31.3 million SEK within year 3-5 and 2.6 million SEK after year 5.

Shareholders' equity at the end of the period amounted to 101,230 thousand SEK (107,088).

At the end of the year, the Group has a short-term debt of 40,000 thousand SEK to the company's largest shareholder Swedia Invest AB. Swedia Invest's main owner Staffan Persson is chairman of the board in SyntheticMR.

## Related party transactions

During the fourth quarter, transactions with related parties amounted to 400 thousand SEK. For the full year 2024 the amount is 1,580 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.

At the end of the year, the Group has a short-term debt of 40,000 thousand SEK to the company's largest shareholder Swedia Invest AB. Swedia Invest's main owner Staffan Persson is chairman of the board in SyntheticMR. The loan was repaid when the issue proceeds from the Rights Issue was paid to the company in January.

## 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.

SyntheticMR is dependent on key personnel and as the organization is relatively small, business-related risk may arise if one or more key personnel end their commitment to the company.

The most relevant risks and uncertainties are described in the annual report for 2023 and relate to financial and operational risks. No other significant risks and uncertainties than those described in the 2023 annual report have been identified in 2024.

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 2024, amounted to 925,480 SEK and the number of shares to 41,688,280. 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

TSEK	4 <sup>th</sup> quarter		Full year	
	2024	2023	2024	2023
<b>Operating income</b>				
Net sales	12,638	30,119	55,671	89,213
Own work capitalized	1,498	1,220	6,039	5,159
Other income	535	-	1,512	-
<b>Total income and capitalized own work</b>	<b>14,670</b>	<b>31,339</b>	<b>63,222</b>	<b>94,372</b>
<b>Operating expenses</b>				
Other external expenses	-10,725	-8,223	-34,388	-30,452
Employee benefit costs	-9,603	-11,438	-40,224	-42,688
Depreciation/amortization of tangible and intangible assets	-1,793	-1,646	-6,911	-6,242
Other operating costs	-	-1,256	-	-913
<b>Operating profit *</b>	<b>-7,450</b>	<b>8,775</b>	<b>-18,301</b>	<b>14,077</b>
<b>Results from financial items</b>				
Result from financial income/expense, net	2,269	-2,032	2,370	-996
<b>Profit for the period before tax</b>	<b>-5,181</b>	<b>6,744</b>	<b>-15,931</b>	<b>13,081</b>
Tax on net profit for the period	-83	-2,161	-153	-3,067
<b>Net profit for the period</b>	<b>-5,264</b>	<b>4,582</b>	<b>-16,084</b>	<b>10,014</b>
<u>Attributable to:</u>				
SyntheticMR AB (publ)	-5,264	4,582	-16,084	10,014
Holdings without controlling influence	0	0	0	0
Earnings per share before dilution	-0.14	0.10	-0.39	0.23
Earnings per share after dilution	-0.14	0.10	-0.39	0.23
<b>Statement of comprehensive income</b>				
Exchange rate differences	-705	-441	-293	-569
Other comprehensive income	-705	-441	-293	-569
<b>Profit for the period</b>	<b>-5,969</b>	<b>4 141</b>	<b>-16,377</b>	<b>9,445</b>
<u>Attributable to:</u>				
SyntheticMR AB (publ)	-5,969	4 141	-16,377	9,445
Holdings without controlling influence	0	0	0	0
*Adjusted operating profit for acquisition costs, TSEK	-5,641	-	-16,492	-

## Consolidated Balance Sheet

### ASSETS

TSEK	2024-12-31	2023-12-31
<b>Fixed assets</b>		
Capitalized development expenditure	24,261	21,311
Patent	1,114	1,136
Equipment	382	477
Rights of use assets	3,322	1,240
Other fixed assets	383	439
<b>Total fixed assets</b>	<b>29,461</b>	<b>24,603</b>
<b>Current assets</b>		
Accounts receivable	30,921	25,177
Current tax assets	2,927	-
Other receivables	1,257	1,358
Contract assets	54,831	68,435
Prepaid expenses and accrued income	2,130	2,072
Cash and cash equivalents	51,010	21,320
<b>Total current assets</b>	<b>143,077</b>	<b>118,362</b>
<b>TOTAL ASSETS</b>	<b>172,538</b>	<b>142,965</b>

### EQUITY AND LIABILITIES

<b>Equity</b>		
Share capital	925	925
Other contributed capital	73,303	72,380
Reserves	-492	-199
Profit brought forward including profit for the period	27,493	43,466
Equity attributable to the Parent Company	101,230	116,572
<b>Total equity</b>	<b>101,230</b>	<b>116,572</b>
<b>Non-current liabilities</b>		
Long-term financial liabilities	2,279	235
<b>Total non-current liabilities</b>	<b>2,279</b>	<b>235</b>
<b>Current liabilities</b>		
Short-term financial liabilities	1,061	1,029
Accounts payable	5,829	3,124
Current tax liabilities	-	239
Other current liabilities	42,919	2,421
Accrued expenses and prepaid income	19,221	19,346
<b>Total short-term liabilities</b>	<b>69,030</b>	<b>26,158</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172,538</b>	<b>142,965</b>

## Consolidated statement of cash flow

TSEK	4 <sup>th</sup> quarter		Full year	
	2024	2023	2024	2023
<b>Operating activities</b>				
Operating profit	-7,450	8,775	-18,301	14,077
<b>Adjustments for non-cash items</b>				
Depreciation/amortization of tangible and intangible assets	1,793	1,646	6,911	6,242
Other non-cash item	111	-	111	-
Unrealized exchange rate differences	-143	1,099	-1,098	1,502
Interest received	87	148	136	174
Paid interest	-37	-7	-82	-52
Income tax paid	-880	-781	-3,459	-3,993
<b>Cash flow from operating activities before changes in working capital</b>	<b>-6,519</b>	<b>10,880</b>	<b>15,782</b>	<b>17,950</b>
Changes in accounts receivable	-6,017	-11,750	-4,766	-8,671
Changes in other receivable	7,098	-7,328	15,883	-24,765
Changes in accounts payable	3,054	677	2,680	1,024
Changes in other payable	-406	4,725	272	7,498
<b>Cash flow from operating activities</b>	<b>-2,790</b>	<b>-2,796</b>	<b>-1,713</b>	<b>-6,964</b>
<b>Investing activities</b>				
Investment in intangible assets	-2,363	-2,475	-8,657	-9,129
Investment in tangible assets	-	-28	-59	-391
Investment in other fixed assets	-8	-30	56	-195
<b>Cash flow from investing activities</b>	<b>-2,370</b>	<b>-2,533</b>	<b>-8,660</b>	<b>-9,715</b>
<b>Financing activities</b>				
Paid dividend	-	-	-	-
New share issue	-	-	1,193	-
Issue expenses	-	-	-268	-
Repayment of leases	-265	-254	-1,035	-1,009
New loan	40,000	-	40,000	-
<b>Cash flow from financing activities</b>	<b>39,735</b>	<b>-254</b>	<b>39,890</b>	<b>-1,009</b>
Cash flow for the period	34,575	-5,583	29,517	-17,687
Cash and cash equivalents opening balance	16,591	27,785	21,320	40,498
Exchange gain/loss on cash balances	-156	-882	173	-1,491
<b>Cash and cash equivalents, closing balance</b>	<b>51,010</b>	<b>21,320</b>	<b>51,010</b>	<b>21,320</b>

## 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
<b>Opening equity January 1, 2023</b>	925	72,380	370	33,453	107,127
Profit for the period	-	-	-	10,014	10,014
Other comprehensive income for the period	-	-	-569	-	-569
<b>Total profit for the period</b>	<b>-</b>	<b>-</b>	<b>-569</b>	<b>10,014</b>	<b>9,445</b>
New share issue	-	-	-	-	-
Issue expenses	-	-	-	-	-
Share-based incentive programs	-	-	-	-	-
<b>Closing equity December 31, 2023</b>	<b>925</b>	<b>72,380</b>	<b>-199</b>	<b>43,466</b>	<b>116,572</b>
<b>Opening equity January 1, 2024</b>	<b>925</b>	<b>72,380</b>	<b>-199</b>	<b>43,466</b>	<b>116,572</b>
Profit for the period	-	-	-	-16,084	-16,084
Other comprehensive income for the period	-	-	-293	-	-293
<b>Total profit for the period</b>	<b>-</b>	<b>-</b>	<b>-293</b>	<b>-16,084</b>	<b>-16,377</b>
New share issue	1	1,192	-	-	1,193
Issue expenses	-	-268	-	-	-268
Share-based incentive programs	-	-	-	111	111
<b>Closing equity December 31, 2024</b>	<b>925</b>	<b>73,303</b>	<b>-492</b>	<b>27,493</b>	<b>101,230</b>

## Consolidated key figures

	4 <sup>th</sup> quarter		Full year	
	2024	2023	2024	2023
Net sales, TSEK	12,638	30,119	55,671	89,213
Sales growth, %	-58	46	-38	31
Operating profit, TSEK	-7,450	8,775	-18,301	14,077
Operating margin, %	-59	29	-33	16
Net profit for the period, TSEK	-5,264	4,582	-16,084	10,014
Cash flow from operating activities, TSEK	-2,790	-2,796	-1,713	-6,964
Shareholders equity, TSEK	101,230	116,572	101,230	116,572
Total assets, TSEK	172,538	142,965	172,538	142,965
Equity/assets ratio, %	58.7	81.5	58.7	81.5
Return on equity, %	-15	9	-15	9
Number of employees	40	37	40	35
Number of shares before dilution*	41,688,280	41,650,780	41,688,280	41,650,780
Number of shares after dilution*	41,763,280	41,650,780	41,763,280	41,650,780
Average number of shares before dilution*	41,678,718	41,650,780	41,678,718	41,650,780
Average number of shares after dilution*	41,734,608	41,650,780	41,734,608	41,650,780
<b>Per share data, SEK*</b>				
Profit/loss per share before dilution	-0.14	0.10	-0.39	0.23
Profit/loss per share after dilution	-0.14	0.10	-0.39	0.23
Cash flow per share from operating activities	-0.07	-0.07	-0.04	-0.17
Equity per share before/after dilution	2.43	2.80	2.43	2.80
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	4 <sup>th</sup> quarter		Full Year	
TSEK	2024	2023	2024	2023
<b>Operating income</b>				
Net sales	17,177	24,025	47,309	62,808
Own work capitalized	1,498	1,220	6,039	5,159
Other income	2,325	1,965	3,370	1,965
<b>Total income and capitalized own work</b>	<b>21,000</b>	<b>27,210</b>	<b>56,717</b>	<b>69,931</b>
<b>Operating expenses</b>				
Other external expenses	-22,450	-7,600	-45,019	-29,208
Employee benefit expenses	-6,731	-6,056	-25,994	-22,505
Depreciation/amortization of tangible and intangible assets	-1,524	-1,394	-5,884	-5,231
Other operating expenses	-	-1,256	-	-895
<b>Operating profit</b>	<b>-9,705</b>	<b>10,904</b>	<b>-20,180</b>	<b>12,092</b>
<b>Result from financial items</b>				
Result from financial income/expense, net	2,863	-1,508	2,985	-445
<b>Profit for the period before tax</b>	<b>-6,842</b>	<b>9,396</b>	<b>-17,196</b>	<b>11,647</b>
Tax on profit for the period	-	-2,033	-	-2,935
<b>Net profit for the period</b>	<b>-6,842</b>	<b>7,362</b>	<b>-17,196</b>	<b>8,714</b>
<b>Statement of comprehensive income</b>				
Net profit for the period	-6,842	7,362	-17,196	8,714
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-6,842</b>	<b>7,362</b>	<b>-17,196</b>	<b>8,714</b>
Earnings per share before dilution	-0.16	0.18	-0.41	0.21
Earnings per share after dilution	-0.16	0.18	-0.41	0.21

## Parent Company balance sheet

ASSETS		
TSEK	2024-12-31	2023-12-31
<b>Fixed assets</b>		
Capitalized development expenditure	24,261	21,311
Patent	1,114	1,136
Equipment	382	477
Shares in subsidiaries	393	393
<b>Total fixed assets</b>	<b>26,150</b>	<b>23,317</b>
<b>Current assets</b>		
Accounts receivable	21,787	11,927
Current tax assets	3,056	-
Other receivables	1,257	1,358
Receivables from Group companies	25,532	38,970
Contract assets	32,858	35,802
Prepaid expenses and accrued income	2,017	1,982
Cash and bank balances	45,368	17,109
<b>Total current assets</b>	<b>131,876</b>	<b>107,148</b>
<b>TOTAL ASSETS</b>	<b>158,025</b>	<b>130,465</b>
EQUITY AND LIABILITIES		
<b>Restricted equity</b>		
Share capital	925	925
Fund for development expenditures	25,375	22,448
<b>Unrestricted equity</b>		
Other paid-in capital	73,303	72,380
Retained earnings	15,821	9,923
Profit for the period	-17,195	8,714
<b>Total shareholders' equity</b>	<b>98,229</b>	<b>114,389</b>
<b>Current liabilities</b>		
Accounts payable	5,413	2,606
Current tax liabilities	-	86
Other liabilities	42,090	1,763
Liabilities from Group companies	-	356
Accrued expenses and prepaid income	12,293	11,265
<b>Total current liabilities</b>	<b>59,796</b>	<b>16,076</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>158,025</b>	<b>130,465</b>

## 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 2023.

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 2023 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, 2024

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.

TSEK	4 <sup>th</sup> quarter		Full Year	
	2024	2023	2024	2023
<u>Geographical markets</u>				
Sweden	702	1,659	1,240	3,033
Other	11,936	28,460	54,432	86,181
<b>Total</b>	<b>12,638</b>	<b>30,119</b>	<b>55,671</b>	<b>89,213</b>
<u>Major service lines</u>				
Licenses	11,976	29,430	53,179	86,611
Service and Support	662	689	2,492	2,602
<b>Total</b>	<b>12,638</b>	<b>30,119</b>	<b>55,671</b>	<b>89,213</b>
<u>Timing of revenue recognition</u>				
Licenses transferred at a point in time	11,976	29,430	53,179	86,611
Services transferred over time	662	689	2,492	2,602
<b>Total</b>	<b>12,638</b>	<b>30,119</b>	<b>55,671</b>	<b>89,213</b>

## Financial instruments

The Group holds the following financial assets and liabilities.

TSEK	Full year	
	2024	2023
<b>Financial assets at amortized cost</b>		
Cash and cash equivalents	51,010	21,320
Accounts receivables	30,921	25,177
Other financial assets	1,257	1,358
<b>Total</b>	<b>83,188</b>	<b>47,855</b>
<b>Financial liabilities at amortized cost</b>		
Accounts payable	5,829	3,124
Lease liability	3,340	1,264
<b>Total</b>	<b>9,169</b>	<b>4,388</b>

Financial assets and liabilities carried at amortized 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.

## Annual general meeting (AGM)

The AGM is scheduled to take place in SyntheticMR's office on May 20<sup>th</sup>, 2025, 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 2024, the Board of Directors of SyntheticMR propose that no dividend is paid.

## Financial Calendar

Annual General Meeting 2025 – May 20<sup>th</sup>, 2025.  
Interim report Jan-Mar 2025 – May 20<sup>th</sup>, 2025.

The annual report will be available no later than April 16<sup>th</sup>, 2025 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 25<sup>th</sup>, 2025.

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 25<sup>th</sup>, 2025  
SyntheticMR AB (publ)

Board of Directors