

# Interim report January–June 2025



One of the biggest challenges within healthcare globally is reducing injuries that occur during care. Medical education and training are key, especially as a large part of the training can now be performed outside the operating room. Surgical Science is a world leader in the development of virtual reality simulators for evidence-based training. The simulators enable surgeons and other medical specialists to train and improve their psycho-motor skills and instrument handling before entering the clinical environment. Alongside proprietary products, Surgical Science works with

simulation solutions for medical device companies that develop instruments for clinical use, such as robotic surgery.

Surgical Science is headquartered in Gothenburg, Sweden and also has operations in Stockholm in Sweden, Tel Aviv in Israel, Seattle and Cleveland in the US, and Cardiff in the UK. Through sales offices in the US and China, as well as a global network of distributors, a presence is maintained in most markets. Shares in Surgical Science Sweden AB (publ) are traded on Nasdaq First North Growth Market.

# Weak sales and significant currency effects weighed on the result

## Second quarter 2025 (April – June)

- Net sales amounted to SEK 209.2 (212.5) million, a decrease of 2 percent compared with the corresponding period in the preceding year. Delays in order placement meant that the order book for simulators was approximately SEK 30 million larger at the end of the quarter than at the beginning.
- Sales of SEK 22.1 million from Intelligent Ultrasound are included in the figures. For comparable units, sales decreased by 12 percent.
- License revenue amounted to SEK 58.9 (67.1) million and accounted for 28 (32) percent of net sales.
- The gross margin was 65 (68) percent.
- Operating result amounted to SEK -22.4 (33.4) million. Operating result includes negative currency effects in Other operating income and expenses of SEK 24.7 million.
- Net result amounted to SEK -20.1 (28.6) million, corresponding to earnings per share of SEK -0.39 (0.56).
- Cash flow from operating activities amounted to SEK 16.2 (30.0) million. As of June 30, 2025, cash and cash equivalents amounted to SEK 610.2 million (667.1).

## First half of 2025 (January – June)

- Net sales amounted to SEK 459.8 (400.7) million, an increase of 15 percent compared with the corresponding period in the preceding year.
- For comparable units, sales increased by 5 percent.
- License revenue amounted to SEK 142.7 (130.3) million and accounted for 31 (33) percent of net sales.
- The gross margin was 67 (67) percent.
- Operating profit amounted to SEK 1.5 (59.4) million. Profit includes SEK 22.6 million in acquisition costs and SEK 3.9 million in restructuring costs, both of which are attributable to the acquisition of Intelligent Ultrasound.
- Net profit amounted to SEK 13.2 (52.4) million, corresponding to earnings per share of SEK 0.26 (1.03).
- Cash flow from operating activities amounted to SEK 11.3 (58.5) million.
- Intelligent Ultrasound, which operates in the field of ultrasound simulation, was acquired in February. The acquisition date was February 18.

## Key figures

	January – June		April – June		Full year
	2025	2024	2025	2024	2024
Net sales, SEK million	459.8	400.7	209.2	212.5	884.1
Operating profit (EBIT), SEK million	1.5	59.4	-22.4	33.4	144.3
Operating profit (EBIT) excluding acquisition and restructuring costs, SEK million	28.1	59.4	-22.4	33.4	144.3
Adjusted EBIT, SEK million	13.4	71.5	-16.7	39.5	168.7
Adjusted EBIT margin, %	2.9	17.8	-8.0	18.6	19.1
Adjusted EBIT margin, excluding acquisition and restructuring costs, %	8.7	17.8	-8.0	18.6	19.1
Profit after financial items, SEK million	27.5	65.6	-18.7	37.8	158.1
Net profit, SEK million	13.2	52.4	-20.1	28.6	131.6
No. employees at end of period	327	265	327	265	274
Equity/assets ratio, %	91.4	92.6	91.4	92.6	88.1
Earnings per share, SEK	0.26	1.03	-0.39	0.56	2.58
Equity per share, SEK	84.42	90.02	84.42	90.02	94.63
Share price on the balance sheet date, SEK	153.10	125.10	153.10	125.10	155.90
Market value on balance sheet date, SEK million	7,812.1	6,383.4	7,812.1	6,383.4	7,955.0

For definitions, see page 22.



# A message from the CEO

After a strong first quarter, 2025 saw a more negative development in the second quarter. The positive development we saw in our operations in early 2025 was offset by a weaker macroeconomic climate in some of our key markets.

Sales amounted to SEK 209 million, which was a decrease of 2 percent compared with the second quarter of 2024 (+4% excluding currency effects). Development revenue developed very positively with growth of 172 percent, while simulator sales and license revenue declined by 9 percent and 12 percent respectively.

## **Educational Products**

After a good start to the year for Educational Products with a 32-percent increase in sales in the first quarter, the second quarter was significantly weaker with a 12-percent contraction in sales (both for comparable units, excluding Intelligent Ultrasound).

During the spring and continuing into the summer, we saw continued pressure on procurement budgets, particularly in the US, resulting in a 12-percent contraction in revenue in this market (excluding Intelligent Ultrasound). The heightened cautiousness of the market is affected by a tougher macroeconomic climate and greater political uncertainty. One such uncertainty concerns future funding for the National Institutes of Health (NIH) in the US. This, in turn, affects sentiment and investment appetite among university hospitals and research centers.

A consequence of the more uncertain market situation, which we have highlighted in previous reports, is that the time it takes for quotations to be converted into orders is increasing. During the second quarter, this resulted in many orders being placed toward the end of the period. These could not be produced and distributed, which means that the order book at the end of the quarter was approximately SEK 30 million higher than at the beginning of the quarter. These orders will be shipped during the third quarter.

The integration of Intelligent Ultrasound proceeded according to plan. We are now working as a joint organization selling the combined ultrasound offering from Surgical Science and



the former Intelligent Ultrasound (now Surgical Science UK). Synergies are being realized according to plan on the cost side, and we are also seeing a sharp increase in outstanding quotes for ultrasound equipment. However, we have not yet seen the full effect of the revenue synergies and sales growth we have planned for.

During the quarter, we launched PartnerPath, our new sales concept for distributors, who account for approximately 50 percent of sales in Educational Products. The aim of this initiative is to provide even better support to our distributors, cover the market more effectively, and raise awareness of Surgical Science. We will work with differentiated pricing that reflects the effort and commitment shown by our distributors. The introduction of PartnerPath also saw the completion of the merger of Surgical Science's and Intelligent Ultrasound's distribution networks. With this change, we now have by far the most professional and comprehensive global distribution network for medical simulation.

Prices have been continuously adjusted during the first half of 2025 to offset a stronger Swedish krona and tariffs on products to the US.

“Our short-term priorities are to return to growth and good profitability in order to achieve our objectives.”

#### Industry/OEM

Industry/OEM had a much weaker quarter than expected, with sales being down 3 percent after many quarters of sales growth at around 20 percent.

Simulator sales in Industry declined by 36 percent. These sales are still at a relatively low level and are more uneven in their development. We also built up a large order book in this category due to a number of late orders received during the quarter. We remain positive about developments in the Industry/OEM simulator segment, driven both by simulation becoming a strategically important tool for our customers when demonstrating their products for sales and training purposes, and by rapid technological developments in the segments, which benefit Surgical Science.

License revenue during the quarter was weaker than expected. This variation is due in part to the fact that customers who have just started selling products from which Surgical Science earns license revenue buy these licenses in packages. There may therefore be timing effects between quarters depending on when these package orders are placed and the licenses are used. In this quarter, revenue from these new customers was unusually low.

The quarter also saw an impact on revenue from Intuitive due to the transition between different generations of surgical systems, with the older generation, where simulation is an option, seeing a decline in the renewal of simulation subscriptions. Despite this generational shift, our revenue from Intuitive increased in Q2 2025 compared to the same period the previous year, in USD. Our focus is on being a strategic supplier to our largest customers and building the best simulation solutions for their users. The rapid advancement of robotic surgery is increasing the need for surgical training – which in turn is driving demand for our products.

Other important events in the market were that Medtronic took steps forward during the quarter towards the US launch of their robotic system Hugo, with an FDA application for a urological procedure and the start of clinical studies for other procedures. J&J also performed the first clinical procedures using its Ottava system.

Development revenue, which will generate simulator and license revenue at a later stage, was very strong during the quarter, growing by 172 percent. The primary reason for the

increase is revenue attributable to the order for the delivery of products to a ministry of defense in a Southeast Asian country, which was signed at the beginning of the year. This project is proceeding according to plan and has reached the milestones that were set.

One of the biggest events to occur during the summer was Surgical Science's participation in the Society for Robotic Surgery (SRS) in Strasbourg. This trade fair brings together robotic surgery manufacturers, surgeons, and other industry stakeholders to review the latest developments in this dynamic market. The fair was the largest ever, with more than 2,500 participants compared to 1,300 the previous year and more exhibitors than ever before. Topics that attracted a lot of attention included telesurgery (surgery on patients located elsewhere), AI in surgery, and endoluminal robots. Olympus announced that they, together with an external partner, has invested USD 500 million in Swan EndoSurgical with the aim of developing an endoluminal robotic system, and it is likely that other large players within the area will move in a similar direction. The introduction of these robots will also drive the need for training among surgeons and open up opportunities for Surgical Science's products, although it will take time for the market to mature.

During SRS, we launched our latest product, RobotiX Express – an entry-level platform that makes advanced surgical simulation available to users outside the operating room. The response was very positive and the system will be launched for sale in August.



#### Costs and results

The gross margin was 65 (68) percent, weighed down by weak sales of simulators, a negative revenue mix with a lower share of license revenue, and the inclusion of Intelligent Ultrasound, which has had a lower gross margin than Surgical Science.

Significant currency effects had a negative impact on results of approximately SEK 25 million. A major factor was the weakening of USD against ILS. The largest factor is the revaluation of intra-group items.

Objectives and priorities

Work on the strategic review continued during the quarter with the aim of completing it in late autumn this year. In connection with this, we also plan to communicate our new financial objectives for the period beyond 2026.

Our short-term priorities are to return to growth and good profitability in order to achieve our objectives. In 2025, we also want to leverage the revenue synergies for Intelligent Ultrasound, ensure the successful launch of RobotiX Express, and establish deeper relationships and increase the number of customers in the medical device segment within Industry/OEM. In the shorter term, the market is more difficult to assess than previously, with macroeconomic and, in some countries,

political uncertainties affecting our customers' activities. Nevertheless, Surgical Science stands strong as a company, with a world-leading position in medical simulation, experiencing rapid positive development internally. Our focus is on providing an unbeatable customer experience with world-leading products under constant development, as well as on becoming more efficient and improving profitability in order to build a long term highly successful company. The addressable market for medical simulation is very large, and we have only reached a small fraction of its full potential.

Surgical Science strives toward a world where all healthcare professionals are trained and certified in a safe and simulated environment.

Gothenburg, August 2025

Tom Englund, CEO

Second quarter 2025  
(April – June)

Net sales

Net sales for the second quarter of the year amounted to SEK 209.2 million (212.5), a decrease of 2 percent compared with the same period in the preceding year. Calculated in local currencies, sales increased by 4 percent.

A consequence of a more uncertain and cautious market climate is that the time it takes for quotations to turn into orders is increasing. In respect of simulator revenue, this resulted in many orders being placed toward the end of the second quarter. These could not be produced and distributed, which means that the order book at the end of the quarter was approximately SEK 30 million higher than at the beginning of the quarter. These orders will be shipped during the third quarter

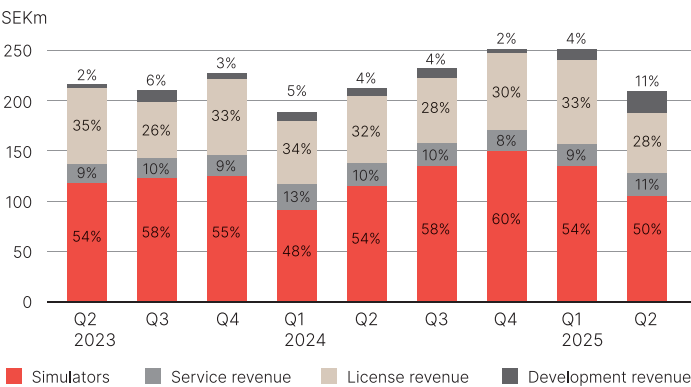
and are relatively evenly distributed between Educational Products and Industry/OEM.

Of the sales for the quarter, SEK 110.1 (110.1) million consisted of sales within the Educational Products business area and SEK 99.1 (102.4) million within the Industry/OEM business area.

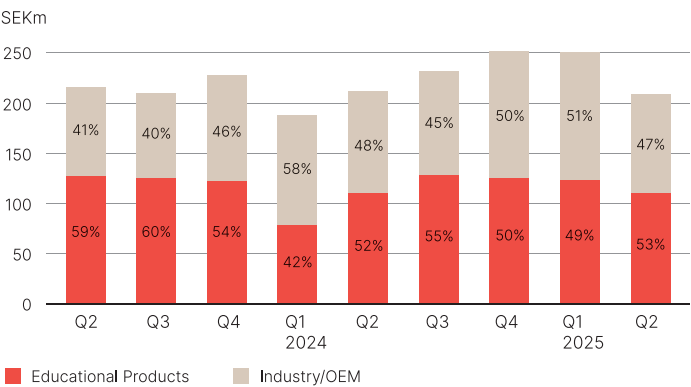
Net sales for Intelligent Ultrasound of SEK 22.1 million are included in sales for the second quarter of 2025 and are recognized exclusively within the Educational Products business area. For comparable units, sales decreased by 12 percent.

As of 2025, note 2 on page 19 has been revised and expanded. Sales have been divided by product group, regardless of the business area from which they originate. Sales in Intelligent Ultrasound are included in their entirety in the ultrasound product group.

Revenue by revenue stream



Revenue by business area





## Educational Products

Sales in Educational Products were unchanged, but decreased by 20 percent when excluding sales originating from Intelligent Ultrasound. Simulator sales amounted to SEK 90.2 (91.6) million and service revenue to SEK 19.8 (18.5) million.

The Asia region declined by 40 percent compared with the same quarter last year. Several countries, but primarily China, reported weaker sales during the quarter. Sales from Intelligent Ultrasound for the region were SEK 2.4 million.

Sales in Europe remained strong, increasing by 22 percent. Sales from Intelligent Ultrasound for the region were SEK 2.9 million.

The North and South America region increased by 15 percent compared with the corresponding quarter last year. Sales from Intelligent Ultrasound for the region amounted to SEK 13.9 million, which means that sales decreased for comparable units. This is mainly attributable to the US, which decreased by 12 percent, excluding sales from Intelligent Ultrasound.

The region Other decreased by 17 percent compared with the same quarter last year. Sales from Intelligent Ultrasound for the region were SEK 2.9 million.

In terms of sales per region, in general these vary markedly between different countries and periods within Educational Products – when a major procurement is completed in one country, it is quite natural for there to be lower sales in that market in subsequent periods. It can therefore be difficult to draw general conclusions from comments for individual countries between periods.

## Industry/OEM

Industry/OEM showed a decrease of 3 percent.

License revenue for the second quarter amounted to SEK 58.9 (67.1) million, which is a decrease of 12 percent compared with

the same period in the preceding year. Sales accounted for 28 (32) percent of the company's total revenue.

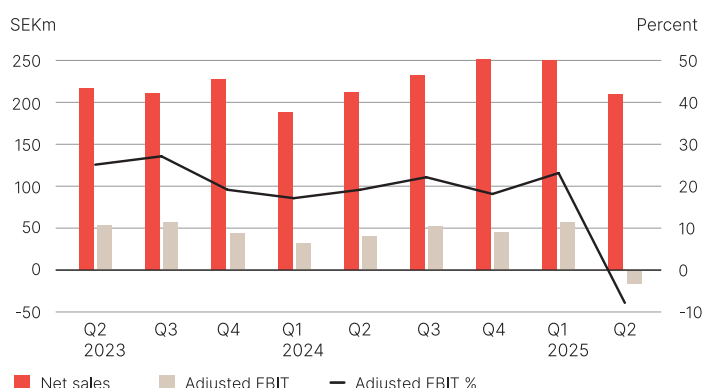
Surgical Science's new agreement from 2025 with its largest customer Intuitive means that the company will move to a fully subscription-based revenue model and that all da Vinci 5 systems (Intuitive's new surgical system) will be equipped with simulation software from Surgical Science. For other robot models, such as the da Vinci Xi, simulation will continue to be offered as an optional feature. The quarter saw an impact on revenue due to the transition between different generations of surgical systems, with the older generation, where simulation is an option, seeing a decline in the renewal of simulation subscriptions.

Customers who have just started selling the products from which Surgical Science earns license revenue buy the licenses in packages, which means that this revenue varies more between quarters.

Development revenue, which will generate simulator and license revenue at a later stage, was very strong during the second quarter (SEK 22.3 million compared to SEK 8.2 million in the preceding year). These revenues partly include revenue from robot projects, as well as from the adaptation or development of software linked to the sale of simulators, see below. The quarter includes the initial revenues of USD 0.9 million attributable to the order to supply products to a ministry of defense in a Southeast Asian country, which totals SEK 52 million. This project will be fully recorded under Industry/OEM, while the TraumaVR products sold to hospitals will continue to be recorded under Educational Products. Revenue of USD 1.0 million is expected to be recognized for the third quarter.

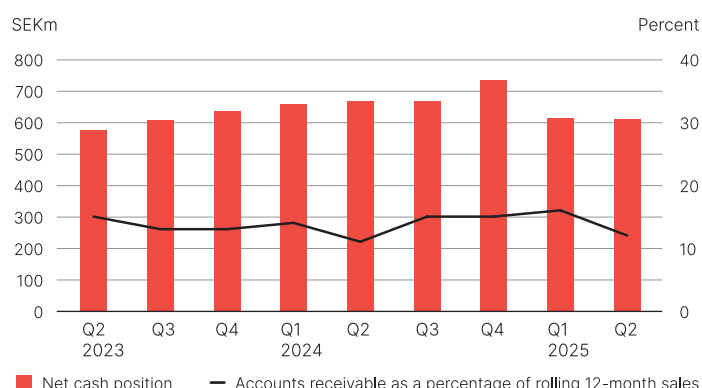
Sales of simulators to medical device companies for product-specific training amounted to SEK 15.0 (23.4) million. Revenues vary significantly more between quarters than the corresponding sales within Educational Products. These projects have longer lead times and usually include a number of

## Adjusted EBIT\*



\*Excluding acquisition and restructuring costs related to IU in Q1 2025

## Net cash/Accounts receivable



simulators where adaptations for product-specific training of, for example, an OEM company's specific instrument are included.

Service revenue for the installed base, which is mainly linked to longer agreements with specific OEM customers where Surgical Science takes care of the shipping and servicing of their simulators (currently primarily in the US), amounted to SEK 2.9 (3.7) million.

## Costs and results

The cost of goods sold amounted to SEK 72.8 (69.0) million corresponding to a gross margin of 65 (68) percent. License revenue made up a lower share of total sales than the corresponding period in the preceding year, which had a negative effect on the margin. Due to lower simulator sales, fixed costs in production are spread over fewer simulators sold, which also had a negative impact on the margin. The proportion of direct sales (mainly in the US) was also lower, and Intelligent Ultrasound has a lower gross margin on its products.

As reported in the first quarter report, a smaller proportion of the costs for the quarter were included in the consolidated figures for Intelligent Ultrasound, which was consolidated from February 18. The second quarter's result includes Intelligent Ultrasound's costs in full.

Sales costs amounted to SEK 57.8 (42.3) million corresponding to 28 (20) percent of sales. There has been a high level of activity related to trade fairs and conferences in the quarter. Starting in the second quarter, additional costs were also incurred for tariffs on simulators distributed from production units outside the US. These amounted to approximately SEK 1 million. The ambition is to reflect this cost in the price of the products as far as possible. This did not occur during the quarter due to a delay between quotation and delivery/invoicing. The quarter's expenses also include items of a more occasional nature amounting to approximately SEK 2 million, attributable to commissions to distributors. These vary depending on the country in which the sale takes place.

Administration costs amounted to SEK 23.5 (21.0) million corresponding to 11 (10) percent of sales.

Research and development costs amounted to SEK 52.1 (48.8) million, corresponding to 25 (23) percent of sales. Of the development costs, SEK 10.1 (9.6) million has been capitalized as an intangible asset. In general, Intelligent Ultrasound has capitalized a larger proportion of its development costs as intangible assets, and the amortization of these assets is therefore also higher as a proportion of costs. The costs on this line also vary depending on how much development revenue there is for the quarter, as salaries for the portion of development

department staff who have worked on projects that generated development revenue are transferred to the cost of goods sold.

Upon the acquisition of Intelligent Ultrasound, Surgical Science stated that the company estimated that rationalizations and cost savings equivalent to between GBP 1.5 and 2 million on an annual basis would be possible after the acquisition. On an annual basis, cost savings of approximately GBP 1.8 million in relation to the cost structure that existed in the company at the time of the takeover have been implemented, mainly in the form of reduced costs related to the company's previous stock market listing and staff reductions, mainly in respect of sales personnel. Cost savings of approximately SEK 4 million are included in the second quarter.

Outstanding warrant programs from 2023 and 2024 were charged against other operating costs for the quarter in the amount of SEK 1.2 (1.0) million. The amount represents a calculation of IFRS2 regarding the parts of the programs attributable to Israel and the US and is allocated across each program's term.

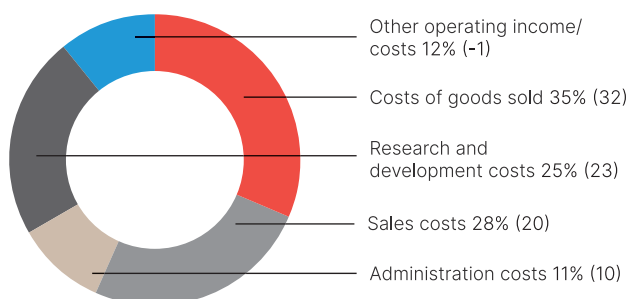
The Annual General Meeting in May 2025 approved another two warrants programs (see further information in Note 4 on pages 19 and 20). The programs had no impact on results in the second quarter of 2025 but will start to have an effect in the third quarter, in the same way as the programs approved in 2023 and 2024.

Other items under "Other operating income and operating costs" are mainly attributable to the revaluation of operating assets and operating liabilities in a foreign currency. Significant currency effects had a negative impact on results of SEK 24.7 million. A major factor was the weakening of USD against ILS. The largest factor is the revaluation of intra-group items.

Operating result for the second quarter amounted to SEK -22.4 (33.4) million, corresponding to an operating margin of -11 (16) percent. The operating result for Intelligent Ultrasound was GBP -0.4 million or SEK -5.2 million.

With regard to the surplus value in the group attributable to the acquisition of Intelligent Ultrasound, amounting to SEK 16.6 million, no allocation has been made to amortizable assets and, consequently, no amortization is made on such surplus values.

## Costs/margin as a percentage of sales



Depreciation and amortization burdened the result by SEK 20.2 (14.4) million in total. Depreciation and amortization burdened the cost of goods sold by SEK 0.6 (0.5) million, sales costs by SEK 4.5 (4.7) million, administration costs by SEK 7.2 (4.8) million, and research and development costs by SEK 7.9 (4.8) million. Sales costs include amortization of SEK 3.8 (4.0) million on those parts of the company's acquisitions that are classified as customer contracts, while research and development costs include amortization of SEK 1.9 (2.1) million on those parts of the company's acquisitions that are classified as technology. Depreciation attributable to the application of IFRS 16 amounts to SEK 5.6 (3.7) million, this being included in its entirety under administration costs.

Adjusted EBIT amounted to SEK -16.7 (39.5) million, corresponding to a margin of -8 (19) percent.

EBITDA amounted to SEK -2.1 (47.9) million, corresponding to a margin of -1 (23) percent.

Surgical Science has no loan financing, and net financial items for the quarter mainly consisted of interest income on bank deposits of SEK 2.7 (4.7) million, the revaluation of an intra-group loan of SEK 3.2 (-2.0) million, and the effect of IFRS 16 of SEK -0.7 (-0.5) million.

Net result for the quarter amounted to SEK -20.1 (28.6) million. The tax expense for the quarter of SEK 1.4 (9.2) million consists of estimated tax on the result for the period and a change in deferred tax assets. For 2025, there are tax-loss carry-forwards in the US attributable to Mimic Technologies, and in the UK attributable to Intelligent Ultrasound.

## Cash flow

During the period April to June 2025, cash flow from operating activities amounted to SEK 16.2 million, compared to SEK 30.0 million for the corresponding period in 2024. Larger tax payments were made in Sweden. Cash flow from changes in working capital amounted to SEK 20.0 (-17.1) million. Inventories increased while accounts receivable decreased during the quarter.

Cash flow from investing activities amounted to SEK -12.6 (-12.5) million, mainly comprising investments in development related to the company's software.

Cash flow from financing activities amounted to SEK -3.5 (-6.7) million, where SEK -3.1 (0.5) million was attributable to changes in lease liabilities in accordance with IFRS 16.

Net cash flow for the quarter, including currency effects in liquid assets, was SEK -2.7 (7.9) million.

## First half of 2025 (January – June)

### Net sales

Net sales for the first half of the year amounted to SEK 459.8 million (400.7), an increase of 15 percent compared with the preceding year. Calculated in local currencies, sales increased by 18 percent.

Net sales for Intelligent Ultrasound are included in sales for the period from February 18, 2025, amounting to SEK 40.5 million. For the period January 1 to February 17, Intelligent Ultrasound's sales amounted to SEK 4.9 million, meaning that total sales for the first half of 2025 amounted to SEK 45.4 (60.6) million. All sales are attributable to the Educational Products business area and the ultrasound product group. For comparable units, sales increased by 5 percent.

Of the sales for the period, SEK 233.0 (189.2) million consisted of sales within the Educational Products business area, an increase of 23 percent. Sales within the Industry/OEM business area amounted to SEK 226.8 (211.5) million, an increase of 7 percent.

For revenues by segment, see Note 2 on page 19. License revenues increased by 10 percent and amounted to SEK 142.7 (130.3) million, 31 (33) percent of the company's total revenues.

### Net sales rolling 12 months





## Costs and results

The cost of goods sold amounted to SEK 150.9 (133.9) million corresponding to a gross margin of 67 (67) percent.

Sales costs amounted to SEK 110.9 (82.7) million corresponding to 24 (21) percent of sales. SEK 3.8 million relates to restructuring costs attributable to the acquisition of Intelligent Ultrasound. Excluding these costs, sales costs amounted to SEK 107.1 million, corresponding to 23 percent of sales.

Administration costs amounted to SEK 67.2 (36.7) million corresponding to 15 (9) percent of sales. These costs include Surgical Science's acquisition costs of SEK 22.6 million related to Intelligent Ultrasound. These costs consisted mainly of legal advice in the complicated process of acquiring a listed company in the UK through a court process. Excluding these costs, administration costs amounted to SEK 44.6 million, corresponding to 10 percent of sales.

Research and development costs amounted to SEK 107.3 (93.9) million, corresponding to 23 (23) percent of sales. Over the first half of the year, development costs of SEK 20.0 (19.4) million were capitalized as an intangible asset.

Outstanding warrants programs were charged against other operating costs for the first six months of the year in the amount of SEK 3.1 (2.0) million. Other items under "Other operating income and operating costs" are mainly attributable to the revaluation of operating assets and operating liabilities in a foreign currency, amounting to SEK -23.1 (7.6) million. The first six months of the year also include non-recurring income (GBP 0.4 million or SEK 5.8 million) in Intelligent Ultrasound, for a replacement program of older products. The cost of these is found on the same line (GBP -0.2 million or SEK -2.9 million).

Operating profit for the first half of the year amounted to SEK 1.5 (59.4) million, corresponding to an operating margin of 0 (15) percent. Adjusted for acquisition and restructuring costs, operating profit amounted to SEK 28.1 million, corresponding to a margin of 6 percent. Operating result consolidated for Intelligent Ultrasound is GBP -0.6 million or SEK -8.2 million. The company's total operating result for the first six months of the year, including result before the acquisition on February 18, was GBP -3.1 million or SEK -41.6 million. Operating result for the period before the acquisition includes Intelligent Ultrasound's costs for advisors in connection with the acquisition, amounting to GBP 1.2 million or SEK 16.4 million.

Depreciation and amortization burdened profit by SEK 39.1 (29.3) million in total. Depreciation and amortization burdened the cost of goods sold by SEK 1.2 (1.0) million, sales costs by SEK 9.4 (9.4) million, administration costs by SEK 13.7 (9.3) million, and research and development costs by SEK 14.7 (9.6) million. Sales costs include amortization of SEK 7.8 (8.0) million

on those parts of the company's acquisitions that are classified as customer contracts, while research and development costs include amortization of SEK 4.0 (4.1) million on those parts of the company's acquisitions that are classified as technology. Depreciation attributable to the application of IFRS 16 amounts to SEK 11.0 (7.4) million, this being included in its entirety under administration costs.

Adjusted EBIT amounted to SEK 13.4 (71.5) million, corresponding to a margin of 3 (18) percent. Adjusted for acquisition and restructuring costs, adjusted EBIT amounted to SEK 40.0 million, corresponding to a margin of 9 percent.

EBITDA amounted to SEK 40.6 (88.7) million, corresponding to a margin of 9 (22) percent. Adjusted for acquisition and restructuring costs, adjusted EBITDA amounted to SEK 66.8 million, corresponding to a margin of 15 percent.

Net financial items amounted to SEK 25.9 (6.2) million and consisted mainly of interest income on bank balances of SEK 10.0 (10.8) million. Other items include interest expenses on short-term loans of SEK -2.5 (-) million, currency effects from a short-term loan related to the acquisition of Intelligent Ultrasound and the revaluation of an intra-group loan of SEK 20.3 (-3.4) million, as well as an effect of IFRS 16 of SEK -1.5 (-1.1) million.

Net profit for the period amounted to SEK 13.2 (52.4) million. The tax expense for the period of SEK 14.3 (13.3) million consists of estimated tax on profit for the period and a change in deferred tax assets. The acquisition costs for Intelligent Ultrasound are not tax-deductible. Loss carry-forwards remain in the US for 2024, attributable to Mimic Technologies.

## Cash flow

During the first half of the year, cash flow from operating activities amounted to SEK 11.3 million compared to SEK 58.5 million for 2024. Cash flow from changes in working capital amounted to SEK -14.1 (-31.2) million. Inventories increased while accounts receivable decreased.

Cash flow from investing activities amounted to SEK -108.2 (-22.9) million. SEK -84.9 million is attributable to the acquisition of Intelligent Ultrasound, see note 5 on pages 20-21. The remaining part consists mainly of investments in development related to the company's software.

Cash flow from financing activities amounted to SEK -238.0 (-9.2) million, where SEK 1.3 (-1.4) million was attributable to changes in lease liabilities in accordance with IFRS 16. In connection with the offer to acquire Intelligent Ultrasound in December 2024, a short-term loan of GBP 17 million was taken out. This was repaid during the first quarter, which negatively impacted cash flow from financing activities by SEK 235.4 million.

Net cash flow for the first half of the year, including currency effects in liquid assets, was SEK -357.9 (32.7).

### General comments on the accounts

Surgical Science's operations are structured into two business areas; Educational Products and Industry/OEM.

Sales within Educational Products consist of sales of the company's proprietary simulators (hardware and software) to the hospital market, as well as of service revenue related to the installed base of these simulators. The revenue from simulators is mainly of a one-off nature, while service revenue recurs throughout the term of each contract.

Sales within Industry/OEM consist of license revenue from the company's software and are primarily attributable to the robotic surgery area. Revenue consists partly of revenue linked to each robot's serial number (fixed for each unit) and partly of recurring revenue linked to the installed base or use of the software, for example. Development revenue is also included, which is obtained when Surgical Science works to adapt the company's software to the customer's hardware platform. The area also includes the sale of simulators to OEM customers, primarily in the vascular area but also in ultrasound and laparoscopy, for example, as well as service revenue related to the installed base of these simulators.

Pages 16 to 18 of Surgical Science's annual report for 2024 provides a detailed account of the company's business model and the various revenue streams. Pages 19 and 20 provide a general description of the customer journey with the robotics companies.

The gross margin is affected by the distribution of revenues, as the different revenue streams, "proprietary simulators containing hardware", "service revenues", "development revenues" and "license revenues", have different gross margins. A higher share of license revenue has a positive impact on the gross margin.

Surgical Science applies a functionally arranged income statement in which the gross margin also includes the salaries of employees working with production, quality control, quality assurance and support, in addition to direct materials and spare parts. In addition, the salaries of development department employees working on development revenue-generating projects are included. Shared costs, such as premises and IT, are distributed in accordance with an allocation template for all the different functions.

Other operating income and operating costs consist predominantly of exchange rate fluctuations on operating assets and operating liabilities in foreign currencies.

As Surgical Science does not have any loan financing (except for a short-term loan of GBP 17 million between the fourth quarter of 2024 and the first quarter of 2025, related to the acquisition of Intelligent Ultrasound), net financial items consist mainly of interest on bank balances, revaluation of internal loan receivables/liabilities to subsidiaries, and the impact of IFRS 16.

Loss carry-forwards remained in the US for 2024, attributable to Mimic Technologies. For 2025, there are tax-loss carry-forwards in the US attributable to Mimic Technologies, and in the UK attributable to Intelligent Ultrasound.

### Impact of US tariffs

For 2024, Surgical Science's total sales (for both business areas, including Intelligent Ultrasound) of simulators to the US were approximately SEK 250 million. These sales are directly affected by tariffs. With a 15 percent tariff level, Surgical Science estimates the impact to be around SEK 15 million per year. The ambition is to reflect this cost in the price of the products as much as possible, and the possibility of doing so is considered good. For the remaining part of the business, there are indirect effects that are currently difficult to predict.

### Exposure to foreign currency

Surgical Science is mainly exposed to USD, ILS, EUR, and GBP. Exposure varies depending on how large a proportion of the revenues and costs are made up of these currencies in relation to the company's total revenues and costs. The company has not hedged its flows by way of hedging agreements.

For the full year 2024, Surgical Science's revenues had the following approximate distribution across different currencies (pro forma including Intelligent Ultrasound): USD 79 (82) percent, EUR 14 (16) percent, SEK 2 (2) percent, GBP 4 (0) percent, other (e.g. ILS) 1 (0) percent.

Costs for the full year 2024 had the following approximate distribution across different currencies (pro forma including Intelligent Ultrasound): USD 29 (28) percent, ILS 41 (51) percent, SEK 15 (17) percent, GBP 11 (0) percent, other (e.g. EUR) 4 (4) percent.

### Financial position

As at June 30, 2025, the group's cash and cash equivalents amounted to SEK 610.2 million, equity to SEK 4,307.4 million, and the equity/assets ratio was 91 percent. As at June 30, 2024, the group's cash and cash equivalents amounted to SEK 667.1 million, equity to SEK 4,593.3 million, and the equity/assets ratio was 93 percent. As at June 30, 2025 equity per share amounted to SEK 84.46 (90.02).

## Parent company

The parent company, Surgical Science Sweden AB, holds shares in subsidiaries and the portion of Surgical Sciences' Swedish operations that are primarily conducted in Gothenburg. Several group-wide functions are also organized within the parent company. Due to internal transactions between the various group companies, it is not possible to draw general conclusions from the parent company's figures regarding sales and operating costs.

## Outlook

Surgical Science's strategy is to have two separate business areas. The focus of Educational Products is on customers in education and training, who use the company's proprietary simulators to increase patient safety through effective, generic training, the results of which can be measured objectively. Customers have validated the simulators over many years by way of clinical studies. The other business area, Industry/OEM, primarily makes use of Surgical Science's software resources, which enable medical device companies to integrate product-specific simulation into their clinical products. This makes it possible to generate a return on Surgical Science's development work, which has been ongoing for 25 years. The company perceives the strongest future growth to be in this area. In robotic surgery, the principal business model involves a development fee for customization/integration with the customer's products and then a software license for each unit or based on the installed base or on usage. Surgical Science retains full copyright over its product.

Underlying growth in the market for medical simulation is favorable. The largest market for medical simulation is the US, followed by Europe and Asia. Over the next few years, growth is expected to be strongest in countries where driving forces include economic development, an increased focus on patient safety, and a large population, such as China and India. The market for robot-assisted surgery is expected to grow quicker than other parts of the market.

The overarching objectives for Surgical Science in 2025 are to:

- Ensure successful integration of Intelligent Ultrasound and safeguard planned synergies.
- Establish broader partnerships and increase the number of customers in the Medical Device Simulation segment of Industry/OEM.
- Grow organic sales in Educational Products by 10 to 15 percent.
- Continue to expand the product portfolio through further product launches.
- Improve gross margin in Educational Products, including Intelligent Ultrasound, by streamlining the product portfolio and increasing average selling price.
- Ensure a high level of employee commitment by continuing

to build and maintain the culture and the company's core values.

- Improve internal efficiency and the level of automation to respond more quickly and cost-effectively to increased customer demand and to handle more customers and business.
- Be prepared to make further acquisitions when the time is right.

Surgical Science has an organization where a sizable portion of its employees are global leaders in software development for medical simulation. This gives the company the capacity to work with the development of the core technology for future simulation, with on-time delivery of adaptations of simulation software to customers in Industry/OEM, and to continue to launch new applications for its proprietary products within Educational Products. To remain the world leader in realistic real-time simulations of medical procedures, improving the core technology is critical. In 2025, Surgical Science is continuing to invest more than ever in this area.

## The company in brief

### Operations

Surgical Science was founded in 1999 and works with simulation technologies. The foundation of the company is its proprietary software and hardware for simulating interactions between instruments and anatomy. Based on its proprietary technology, Surgical Science develops and sells turnkey simulation systems used to train surgeons and other medical specialists. The operations are conducted within the framework of the Educational Products business area. Since 2017, Surgical Science has also worked with simulation solutions for medical device companies that develop surgical instruments for clinical applications (such as robot-assisted surgery) – this work is conducted within the Industry/OEM business area.

### Mission and vision

Surgical Science's overall purpose is to improve patient safety and outcomes in healthcare through validated, customized medical simulation training. The vision is that all patients who are on their way to the operating room should feel reassured that their surgeon has been trained and objectively certified in a safe, simulated environment before the procedure.

### Financial targets

During the first quarter of 2025, Surgical Science revised its financial targets. Developments primarily in the Robotics segment, combined with the current trading uncertainty, where direct and indirect effects are difficult to predict, have led the company's board and management to adjust the sales target for 2026 to SEK 1,400 million from the previous SEK 1,500 million.

The lower share of license revenue relative to total revenue, together with increased investments in areas that also include hardware, has resulted in the adjusted EBIT target for 2026 being revised to 25-30 percent, from the previous 40 percent.

Surgical Science is currently conducting a strategy review to capitalize on and leverage the growth opportunities the company sees in the market going forward and plans to return in late fall 2025 with new financial targets for the period after 2026.

## Strategy

Surgical Science will continue to develop its proprietary educational products to be the obvious choices for customers in a world where training and certification are mandatory. From the outset, Surgical Science has worked closely with leading university hospitals in the development of the company's products. Surgical Science's simulators have also been validated in a number of published studies demonstrating that the knowledge acquired by the surgeon by way of training with the company's products also transfers to the actual operating room. Surgical Science advocates mandatory simulations in surgeon training and for the certification of future surgeons before performing their first operation on a human patient.

Besides developing proprietary products, a strategic priority is to work with simulation solutions for medical device companies that develop instruments for clinical use. As a result of the more than 25 years of research and development behind the world's most advanced, computer-based simulations for the training of surgeons and other medical specialists in a wide range of areas, Surgical Science's software resources can be applied beyond the proprietary products.

One of the macro trends in healthcare driving this development is digitalization, which allows simulation software to be applied directly in medical device products without separate hardware. Another macro trend is increasing patient safety awareness, especially with regard to new technologies. This is evident in, for example, regulatory authorities' requirements for verified training solutions for surgeons when granting approval for the clinical use of new surgical robots, for instance.

## Other information

### Organization and personnel

At the end of the period, there were 327 (265) employees, of whom 95 (73) were women and 232 (192) were men. Of these, 69 (57) were employed in Sweden, 147 (138) in Israel, 58 (55) in the US, 35 (1) in the UK, and the remaining 18 (15) mainly in Germany and China.

### Information on transactions with related parties

In addition to his board fees, board member Thomas Eklund received consultancy fees of SEK 248 thousand in the second quarter for his work on the company's strategies during 2025.

No other transactions materially impacting the company's earnings or financial position were conducted with related parties during the quarter or the period.

### Risk management

Surgical Science works on an ongoing basis to identify, assess and manage risks in various systems and processes. Risk analyses of day-to-day operations are performed on an ongoing basis and in connection with major activities.

The most significant strategic and operational risks affecting Surgical Science's operations and industry are described on pages 67 and 68 of the company's 2024 annual report. The principal risks and uncertainties include IP, market risks, competitors and technological development, industrial partnerships, employees, acquisitions and access to capital. To all intents and purposes, the risks reported by the company and outlined in the annual report, are judged to have remained unchanged.

### Seasonal effects

Surgical Science's sales within the Educational Products business area can fluctuate between quarters, with the fourth quarter of the year usually being the strongest. This is because many major hospitals use the calendar year as their budget year and hold off on purchases until they can see what funds remain in the budget towards the end of the year.

Also in the Industry/OEM business area, the fourth quarter usually generates more sales than other quarters, with license revenues from customers increasing for the same reason as for Educational Products. This effect is less pronounced for Industry/OEM, however, as clinical products in the area of robotic surgery, for example, are less dependent on there being remaining budget funds towards the end of the year.

### Events after the balance sheet date

There have been no significant events to report following the end of the period.

### Assurance

The board and CEO provide their assurance that this interim report provides a fair overview of the company's operations, position, and earnings and describes any significant risks and uncertainties that the company may face.

Gothenburg, August 21, 2025

Board of directors

**This report has not been subject to review by the company's auditors.**

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**Financial reports:**

Interim reports and other financial reports are available at [www.surgicalscience.com](http://www.surgicalscience.com).

**The following reports are planned for release:**

Interim report January–September 2025: Thursday, November 13

Year-end report 2025: Thursday, February 19, 2026

**Stock market and Certified Adviser:**

Shares in Surgical Science Sweden AB (publ) have been traded on Nasdaq First North Growth Market since June 19, 2017. The company's Certified Adviser is DNB Carnegie Investment Bank AB.

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This is information that Surgical Science Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons above on August 21, 2025 at 7:30 a.m. (CET).

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



## Condensed consolidated income statements

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
Net sales	459,849	400,709	209,157	212,466	884,087
Cost of goods sold	-150,856	-133,900	-72,763	-68,982	-286,189
<b>Gross profit</b>	<b>308,993</b>	<b>266,809</b>	<b>136,394</b>	<b>143,484</b>	<b>597,897</b>
Sales costs	-110,905	-82,745	-57,783	-42,290	-175,260
Administration costs	-67,245	-36,742	-23,493	-20,998	-77,119
Research and development costs	-107,329	-93,880	-52,123	-48,841	-196,110
Other operating income and costs	-21,963	5,964	-25,382	2,075	-5,087
<b>Operating profit</b>	<b>1,550</b>	<b>59,406</b>	<b>-22,388</b>	<b>33,430</b>	<b>144,320</b>
Financial income and costs	25,944	6,238	3,670	4,376	13,773
<b>Profit after financial items</b>	<b>27,494</b>	<b>65,644</b>	<b>-18,718</b>	<b>37,806</b>	<b>158,093</b>
Taxes	-14,334	-13,284	-1,359	-9,238	-26,446
<b>Net profit</b>	<b>13,160</b>	<b>52,360</b>	<b>-20,077</b>	<b>28,568</b>	<b>131,646</b>
<b>Attributable to</b>					
Parent company shareholders	13,160	52,360	-20,077	28,568	131,646
Earnings per share, SEK	0.26	1.03	-0.39	0.56	2.58
Earnings per share, SEK*	0.26	1.03	-0.39	0.56	2.58
Amortization of intangible assets	-22,530	-18,424	-11,667	-9,024	-36,892
Depreciation of tangible assets	-16,523	-10,876	-8,574	-5,408	-23,623

\* After dilution. See Note 4 for information regarding warrants programs.

## Consolidated statement of income and other comprehensive income

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
<b>Net profit</b>	<b>13,160</b>	<b>52,360</b>	<b>-20,077</b>	<b>28,568</b>	<b>131,646</b>
<b>Other comprehensive income</b>					
<i>Items that have been or can be reclassified to net profit</i>					
Translation differences on translation of foreign operations	-537,493	193,726	-924,294	-24,581	344,546
<b>Total other comprehensive income</b>	<b>-537,493</b>	<b>193,726</b>	<b>-924,294</b>	<b>-24,581</b>	<b>344,546</b>
<b>Comprehensive income</b>	<b>-524,333</b>	<b>246,086</b>	<b>-944,371</b>	<b>3,987</b>	<b>476,192</b>
<b>Comprehensive income attributable to</b>					
Parent company shareholders	-524,333	246,086	-944,371	3,987	476,192

## Condensed consolidated statement of financial position

SEK thousands	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for product development	105,654	81,339	98,457
Patents, trademarks, and concessions	53,137	59,918	61,759
Customer contracts	79,997	98,094	92,445
Technology	45,591	59,229	57,055
Goodwill	3,172.50	3,502,568	3,615,848
Other intangible fixed assets	26,753	2,406	2,189
Tangible fixed assets	107,609	75,427	101,534
Deferred tax assets	14,011	15,558	16,331
Other financial fixed assets	8,432	5,005	8,049
<b>Total non-current assets</b>	<b>3,613,688</b>	<b>3,899,544</b>	<b>4,053,666</b>
<b>Current assets</b>			
Inventories	206,509	177,767	179,583
Accounts receivable	111,326	96,250	136,702
Other current receivables	68,930	30,057	43,652
Prepaid expenses and accrued income	103,019	92,279	97,914
Cash and cash equivalents	610,219	667,075	968,155
<b>Total current assets</b>	<b>1,100,002</b>	<b>1,063,428</b>	<b>1,426,007</b>
<b>TOTAL ASSETS</b>	<b>4,713,690</b>	<b>4,962,972</b>	<b>5,479,673</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to parent company shareholders</b>	<b>4,307,447</b>	<b>4,593,251</b>	<b>4,828,639</b>
Non-current liabilities	134,941	113,396	138,313
Liabilities to credit institutions	1,644	–	235,408
Other current liabilities	269,258	256,325	277,314
<b>Total liabilities</b>	<b>406,243</b>	<b>369,721</b>	<b>651,035</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,713,690</b>	<b>4,962,972</b>	<b>5,479,673</b>

## Consolidated changes in equity

SEK thousands	Attributable to parent company shareholders				Total equity
	Share capital	Other capital contributions	Provisions	Profit and loss carried forward, incl. profit for the period	
<b>Opening balance January 1, 2024</b>	<b>2,551</b>	<b>3,398,121</b>	<b>436,777</b>	<b>507,763</b>	<b>4,345,212</b>
Profit for the period Jan–Jun				52,360	52,360
Other comprehensive income for the period			193,726		193,726
Warrants program IFRS 2			1,953		1,953
<b>Closing balance June 30, 2024</b>	<b>2,251</b>	<b>3,398,121</b>	<b>632,456</b>	<b>560,123</b>	<b>4,593,251</b>
Profit for the period Jul–Dec				79,286	79,286
Other comprehensive income for the period			150,820		150,820
Warrants program IFRS 2			5,281		5,281
<b>Closing balance December 31, 2024</b>	<b>2,551</b>	<b>3,398,121</b>	<b>788,557</b>	<b>639,409</b>	<b>4,828,638</b>
<b>Opening balance January 1, 2025</b>	<b>2,551</b>	<b>3,398,121</b>	<b>788,557</b>	<b>639,409</b>	<b>4,828,638</b>
Profit for the period Jan–Jun				13,160	13,160
Other comprehensive income for the period			-537,493		-537,493
Warrants program IFRS 2			3,140		3,140
<b>Closing balance June 30, 2025</b>	<b>2,551</b>	<b>3,398,121</b>	<b>254,205</b>	<b>652,569</b>	<b>4,307,446</b>

# Condensed consolidated cash flow statements

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
<b>Operating activities</b>					
Profit before financial items	1,550	59,406	-22,388	33,430	144,320
Adjustment for non-cash items, etc.	61,028	24,663	39,740	12,501	67,711
Interest paid/received	5,852	8,651	1,441	3,140	18,768
Tax paid	-43,043	-3,073	-22,595	-2,031	-27,686
<b>Cash flow from operating activities before changes in working capital</b>	<b>25,387</b>	<b>89,647</b>	<b>-3,802</b>	<b>47,040</b>	<b>203,113</b>
<b>Changes in working capital</b>					
Increase (-)/Decrease (+) in inventories	-15,489	-20,081	-8,850	-12,386	-11,556
Increase (-)/Decrease (+) in operating receivables	-15,253	-23,697	33,075	-11,669	-20,238
Increase (+)/Decrease (-) in operating liabilities	16,621	12,598	-4,199	6,995	-34,094
<b>Cash flow from changes in working capital</b>	<b>-14,122</b>	<b>-31,180</b>	<b>20,025</b>	<b>-17,060</b>	<b>-65,888</b>
<b>Cash flow from operating activities</b>	<b>11,265</b>	<b>58,467</b>	<b>16,223</b>	<b>29,980</b>	<b>137,225</b>
<b>Investing activities</b>					
Investments in tangible fixed assets	-3,136	-2,734	-1,811	-2,186	-6,104
Investments in intangible fixed assets	-20,156	-20,145	-10,786	-10,293	-41,426
Investment in business	-84,914	–	-27	–	–
<b>Cash flow from investing activities</b>	<b>-108,206</b>	<b>-22,879</b>	<b>-12,624</b>	<b>-12,479</b>	<b>-47,530</b>
<b>Financing activities</b>					
Change in non-current liabilities	-3,883	-7,864	-336	-7,150	-5,525
Change in liabilities to credit institutions	-235,407	–	1	–	235,408
Change in lease liabilities	1,290	-1,361	-3,153	490	-2,230
<b>Cash flow from financing activities</b>	<b>-238,000</b>	<b>-9,225</b>	<b>-3,488</b>	<b>-6,660</b>	<b>227,653</b>
<b>Cash flow for the period</b>	<b>-334,940</b>	<b>26,363</b>	<b>112</b>	<b>10,841</b>	<b>317,348</b>
Opening cash and cash equivalents	968,155	634,366	612,892	659,183	634,366
Exchange-rate difference in cash and cash equivalents	-23,001	6,345	-2,789	-2,949	16,441
<b>Closing cash and cash equivalents</b>	<b>610,214</b>	<b>667,075</b>	<b>610,214</b>	<b>667,075</b>	<b>968,155</b>

## Key figures, group

	January – June		April – June		Full year
	2025	2024	2025	2024	2024
Net sales growth, %	14.8	-10.0	-1.6	-1.7	0.1
Gross margin, %	67.2	66.6	65.2	67.5	67.6
EBITDA margin, %	8.8	22.1	-1.0	22.5	23.2
Operating margin, %	0.3	14.8	-10.7	15.7	16.3
Profit margin, %	2.9	13.1	-9.6	13.4	14.9
Equity/assets ratio, %	91.4	92.6	91.4	92.6	88.1
Shares outstanding at end of period	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Average shares outstanding	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Average shares outstanding*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Equity per share, SEK	84.42	90.02	84.42	90.02	94.63
Equity per share, SEK*	84.42	90.02	84.42	90.02	94.63
Dividend per share, SEK	0.00	0.00	0.00	0.00	0.00
Share price on the balance sheet date, SEK	153.10	125.10	153.10	125.10	155.90
Average number of employees	303	254	318	252	256

\* After dilution. See Note 4 for information regarding warrants programs. | See page 22 for definitions of key figures.

## Consolidated income statements by quarter

SEK thousands	Apr–Jun 2025	Jan–Mar 2025	Oct–Dec 2024	Jul–Sep 2024	Apr–Jun 2024	Jan–Mar 2024	Oct–Dec 2023	Jul–Sep 2023
Net sales	209,157	250,691	251,549	231,828	212,466	188,243	227,293	210,246
Cost of goods sold	-72,763	-78,092	-81,474	-70,816	-68,982	-64,918	-64,864	-65,221
<b>Gross profit</b>	<b>136,394</b>	<b>172,599</b>	<b>170,076</b>	<b>161,012</b>	<b>143,484</b>	<b>123,325</b>	<b>162,429</b>	<b>145,025</b>
Sales costs	-57,783	-53,122	-49,898	-42,617	-42,290	-40,456	-42,502	-37,042
Administration costs	-23,493	-43,752	-22,338	-18,040	-20,998	-15,744	-19,750	-20,649
Research and development costs	-52,123	-55,206	-51,656	-50,575	-48,841	-45,039	-46,247	-40,810
Other operating income and costs	-25,382	3,419	-7,056	-3,995	2,075	3,890	-16,275	4,169
<b>Operating profit</b>	<b>-22,388</b>	<b>23,938</b>	<b>39,128</b>	<b>45,786</b>	<b>33,430</b>	<b>25,976</b>	<b>37,655</b>	<b>50,693</b>
Financial income and costs	3,670	22,273	295	7,239	4,376	1,862	80,784	1,741
<b>Profit after financial items</b>	<b>-18,718</b>	<b>46,211</b>	<b>39,423</b>	<b>53,025</b>	<b>37,806</b>	<b>27,838</b>	<b>118,439</b>	<b>52,434</b>
Taxes	-1,359	-12,974	-3,159	-10,002	-9,238	-4,046	-20,478	-5,031
<b>Net profit</b>	<b>-20,077</b>	<b>33,237</b>	<b>36,264</b>	<b>43,023</b>	<b>28,568</b>	<b>23,792</b>	<b>97,962</b>	<b>47,403</b>
<b>Attributable to</b>								
Parent company shareholders	-20,077	33,237	36,264	43,023	28,568	23,792	97,962	47,403
Earnings per share, SEK	-0.39	0.65	0.71	0.84	0.56	0.47	1.92	0.93
Earnings per share, SEK*	-0.39	0.65	0.71	0.84	0.56	0.47	1.92	0.93
Average shares outstanding	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Average shares outstanding*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,044,111	51,026,236

\* After dilution. See Note 4 for information regarding warrants programs.

## Parent company income statements

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
Net sales	145,155	45,117	99,822	27,512	126,574
Cost of goods sold	-73,899	-15,754	-56,757	-11,954	-55,459
<b>Gross profit</b>	<b>71,256</b>	<b>29,363</b>	<b>43,065</b>	<b>15,558</b>	<b>71,115</b>
Sales costs	-10,772	-8,665	-7,629	-3,009	-18,915
Administration costs	-11,806	-9,357	-6,371	-6,434	-21,441
Research and development costs	-13,228	-15,399	-7,090	-8,036	-28,960
Other operating income and costs	-5,020	156	-1,939	-1,051	-5,257
<b>Operating profit</b>	<b>30,429</b>	<b>-3,902</b>	<b>20,036</b>	<b>-2,972</b>	<b>-3,457</b>
Financial income and costs	512,703	5,820	4,441	4,135	7,800
<b>Profit after financial items</b>	<b>543,132</b>	<b>1,918</b>	<b>24,477</b>	<b>1,163</b>	<b>4,343</b>
Appropriations (group contributions)	–	–	–	–	63,557
Taxes	-11,133	-395	-5,042	-239	-14,437
<b>Net profit</b>	<b>531,998</b>	<b>1,523</b>	<b>19,434</b>	<b>924</b>	<b>53,464</b>
Amortization of intangible assets	-4,973	-4,036	-2,487	-2,018	-7,978
Depreciation of tangible assets	-387	-495	-191	-250	-957

Because the parent company has no items to report under Other comprehensive income, no statement of comprehensive income has been prepared.

## Condensed parent company balance sheets

SEK thousands	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for product development	30,167	29,477	30,664
Other intangible fixed assets	931	1,190	1,075
Tangible fixed assets	1,301	2,149	1,687
Participations in group companies	3,764,559	3,131,505	3,131,505
<b>Total non-current assets</b>	<b>3,796,958</b>	<b>3,164,321</b>	<b>3,164,931</b>
<b>Current assets</b>			
Inventories	7,104	8,703	6,659
Accounts receivable	22,216	7,329	27,761
Current receivables from group companies	25,250	37,118	71,845
Other current receivables	22,553	1,174	1,940
Prepaid expenses and accrued income	81,806	10,180	14,089
Cash and bank position	316,983	408,054	659,075
<b>Total current assets</b>	<b>475,912</b>	<b>472,558</b>	<b>781,370</b>
<b>TOTAL ASSETS</b>	<b>4,272,870</b>	<b>3,636,879</b>	<b>3,946,300</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4,102,900</b>	<b>3,510,541</b>	<b>3,567,762</b>
Liabilities to credit institutions	1,644	–	235,408
Current receivables from group companies	109,344	86,620	78,112
Other current liabilities	58,981	39,718	65,019
<b>Total liabilities</b>	<b>169,969</b>	<b>126,338</b>	<b>378,539</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,272,870</b>	<b>3,636,879</b>	<b>3,946,300</b>



## Note 1. Accounting principles

As regards the group, this interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, as regards the parent company, in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Unless stated otherwise below, the accounting principles applied for the group and the parent company are the same as those applied in preparing the most recent annual report.

Disclosures in accordance with IAS 34.16A appear not only in the financial statements and the accompanying notes, but also in other parts of the interim report.

## Note 2. Group operating segments

### Revenue by business area and revenue stream

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
<b>Educational Products</b>	<b>233,027</b>	<b>189,175</b>	<b>110,084</b>	<b>110,050</b>	<b>442,496</b>
- Simulators, hardware and software	194,092	148,198	90,242	91,569	364,345
- Service and support revenue	38,935	40,977	19,843	18,481	78,151
<b>Industry/OEM</b>	<b>226,821</b>	<b>211,534</b>	<b>99,073</b>	<b>102,416</b>	<b>441,591</b>
- Simulators, hardware and software	45,550	58,071	14,970	23,362	126,716
- Service and support revenue	5,756	6,171	2,917	3,729	12,095
- License revenue	142,746	130,332	58,936	67,149	271,657
- Development revenue	32,769	16,960	22,250	8,176	31,123
<b>Net sales</b>	<b>459,849</b>	<b>400,709</b>	<b>209,157</b>	<b>212,466</b>	<b>884,087</b>

### Revenue by business area and geographic area

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
<b>Educational Products</b>	<b>233,027</b>	<b>189,175</b>	<b>110,084</b>	<b>110,050</b>	<b>442,496</b>
- Europe	57,631	29,098	24,519	20,066	92,900
- North and South America	123,989	108,182	62,130	53,847	207,011
- Asia	37,450	41,695	17,617	29,140	111,149
- Other	13,957	10,200	5,818	6,997	31,436
<b>Industry/OEM</b>	<b>226,821</b>	<b>211,534</b>	<b>99,073</b>	<b>102,416</b>	<b>441,591</b>
- Europe	26,776	15,142	11,390	7,728	59,893
- North and South America	179,513	182,912	74,704	83,215	355,988
- Asia	18,508	10,648	12,799	8,729	21,140
- Other	2,024	2,832	180	2,744	4,570
<b>Net sales</b>	<b>459,849</b>	<b>400,709</b>	<b>209,157</b>	<b>212,466</b>	<b>884,087</b>

### Revenue by product group

SEK thousands	January – June		April – June		Full year
	2025	2024	2025	2024	2024
Robotics	169,722	160,329	76,136	84,506	336,593
Vascular surgery	57,260	72,198	29,927	33,528	153,946
Laparoscopy	45,145	41,034	16,850	28,869	124,494
Endoscopy	52,346	50,736	22,874	32,852	112,345
Ultrasound	78,228	43,605	40,388	19,625	89,201
Other	57,168	32,807	22,982	13,087	67,507
<b>Net sales</b>	<b>459,849</b>	<b>400,709</b>	<b>209,157</b>	<b>212,466</b>	<b>884,087</b>

## Note 3. Financial instruments

SEK thousands	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Financial assets	736,076	774,638	1,119,923
Financial liabilities	205,181	178,088	445,069

The group's financial assets and liabilities are valued at amortized cost, with the exception of the deferred contingent consideration recognized as a liability and measured at fair value. The carrying amount is considered to be a reasonable approximation of the fair value of the group's assets and liabilities in the balance sheet.

## Note 4. Warrants programs

### Warrants 2022\_25

Surgical Science's annual general meeting on May 12, 2022 resolved to establish an incentive program for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 175.70 during the period June 10 to July 10, 2025. The company subsidizes the warrants program so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 28.74 per warrant.

During the subscription period, the company's average share price was below the set exercise price, which meant that no options were exercised. All 200,000 warrants thus expired without value. As a result, both the number of shares and the share capital remained unchanged, and there was no dilution of existing shareholders' ownership interests or voting rights.

### Warrants 2023\_26

Surgical Science's annual general meeting on May 17, 2023 resolved to establish an incentive program for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 294.70 during the period June 15 to July 15, 2026. The company subsidizes the warrants program so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 36.43 per warrant.

During the current period, the average share price for the period, the closing price on the balance sheet date, and the average share price for the rolling 12-month period were all below the exercise price for the warrant program, whereby the program did not entail any dilution effect. Fully exercised, the incentive program will increase Surgical Science's share capital by SEK 13,000 and the number of shares by 260,000, corresponding to the dilution of the total number of shares and votes by about 0.5 percent.

### Incentive program costs

Preliminarily, the incentive program is estimated to entail social security contributions of SEK 0.5 million, as well as costs of SEK 9.0 million in accordance with the accounting rules under IFRS2. For the first half of 2025, the program impacted profit negatively by SEK 1.2 (1.2) million. The amount comprises the IFRS2 cost attributable to Israel and the US and is distributed across the term of the program until July 2026.

### Warrants 2024\_27

Surgical Science's annual general meeting on May 16, 2024 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 170.50 during the period June 14 to July 14, 2027. The company subsidizes the warrants programs so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 33.31 per warrant.

During the current period, the average share price for the period, the closing price on the balance sheet date, and the average share price for the rolling

12-month period were all below the exercise price for the warrant program, whereby the program did not entail any dilution effect. Fully exercised, the two incentive programs will increase Surgical Science's share capital by SEK 16,400 and the number of shares by 328,000, corresponding to the dilution of the total number of shares and votes by about 0.6 percent.

Incentive program costs

Preliminarily, the incentive programs are estimated to entail social security contributions of SEK 1.3 million, as well as costs of SEK 10.4 million in accordance with the accounting rules under IFRS2. For the first half of 2025, the program impacted profit negatively by SEK 1.2 million (-). The amount comprises the IFRS2 cost attributable to Israel and the US and is distributed across the term of the program until July 2027.

Warrants 2025\_28

Surgical Science's annual general meeting on May 15, 2025 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 173.90 during the period June 14 to July 14, 2028. The company subsidizes the warrants programs so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 36.42 per warrant.

Fully exercised, the two incentive programs will increase Surgical Science's share capital by SEK 20,100 and the number of shares by 402,000, corresponding to the dilution of the total number of shares and votes by about 0.8 percent. As at the balance sheet date of June 30, 2025, the warrants program entailed no dilution.

Incentive program costs

Preliminarily, the incentive programs are estimated to entail social security contributions of SEK 1.1 million, as well as costs of SEK 13.5 million in accordance with the accounting rules under IFRS2. No costs have been charged to the second quarter or the first half of 2025.

Programs 2023\_26, 2024\_27, and 2025\_28

The board is authorized to adjust the program in response to organizational changes and to specific rules or market conditions in other countries. Most of the company's employees are employed outside Sweden, in the US and in Israel. For tax reasons, these employees are contractually entitled to subscribe for shares (Non-Qualified Stock Options) rather than warrants. In accordance with generally accepted practices in these markets, participants receive these shares free of charge.

Note 5. Acquisition of business

On December 19, 2024, Surgical Science announced a recommended offer to acquire 100 percent of the issued share capital of Intelligent Ultrasound Group plc (IU), a UK-based ultrasound simulation company listed on the Alternative Investment Market of the London Stock Exchange. The acquisition, which was completed on February 18, 2025, amounted to approximately SEK 630 million on a fully diluted basis, corresponding to a value of approximately SEK 65 million on a cash and debt-free basis. The valuation implies a sales multiple (2023) of approximately 0.5 times Intelligent Ultrasound's sales.

Rationale for the acquisition

- Strategic portfolio enhancement: Intelligent Ultrasound offers proprietary ultrasound simulation solutions for several medical fields that complement Surgical Science's offering in this area.
- Innovation-led expansion: Intelligent Ultrasound will become part of Surgical Science's development organization, providing volumetric ultrasound technology.
- Larger commercial footprint in the UK and US: Direct sales are established in the UK market, while the commercial footprint in the US is expanded.
- Economies of scale: With increased scale, Surgical Science can generate greater customer value by effectively leveraging shared functions and sales channels.

- Attractive price: Following the sale of its AI business to GE Healthcare, Surgical Science is acquiring Intelligent Ultrasound at a sales multiple of approximately 0.5, more than doubling the company's ultrasound simulation sales in 2024.

The purchase price consideration, the fair value of the acquired net assets and goodwill are as follows:

SEK thousand	
Cash payment	610,449
Fair value of acquired net assets	-593,857
<b>Total goodwill</b>	<b>16,592</b>

Goodwill is attributable to the acquired workforce and synergies in the form of cost savings that do not meet the criteria for separate recognition.

(a) Consideration

The purchase price consideration amounted to GBP 45.2 million/SEK 610 million after full dilution on a cash and debt-free basis. There is no conditional purchase price consideration.

(b) The assets and liabilities recognized as a result of the acquisition are shown below:

Carrying amount of identifiable assets and liabilities at the time of acquisition

SEK thousand	Recognized value in Intelligent Ultrasound as at February 18, 2025	Fair value adjustment	Fair value reported in the group
Intangible fixed assets	27,898		27,898
Tangible fixed assets	11,285		11,285
Non-current receivables	820		820
Inventories	22,399		22,399
Current receivables	24,122		24,122
Prepaid expenses and accrued income	40,412		40,412
Cash and cash equivalents	525,535		525,535
Non-interest-bearing liabilities	-9,030		-9,030
Accounts payable	-13,312		-13,312
Other current liabilities	-27,214		-27,214
Prepaid income and accrued expenses	-9,058		-9,058
<b>Net identifiable assets and liabilities</b>	<b>593,857</b>		<b>593,857</b>

Acquisition costs

Acquisition-related costs of SEK 22.6 million are included in the group's administration costs in the income statement and in operating activities in the cash flow statement.

In the parent company, these costs have been reported as an increase in shares in subsidiaries.

Financing

The acquisition was financed with the company's own funds. A short-term loan of GBP 17 million (SEK 235.4 million as at December 31, 2024) was taken out in connection with the acquisition, which was repaid during the first quarter of 2025. In connection with this, dividend of GBP 36 million has been paid from IU to the parent company Surgical Science Sweden AB.

Revenue and contributions after the acquisition

For the period February 18 to June 30, IU contributed revenue of SEK 40.5 million and a net result of SEK -7.3 million to the group. The result includes restructuring costs of SEK 3.9 million.

Had the acquisition taken place on January 1, 2025, management estimates that the contribution to the group's revenue for the period January to June

2025 would have amounted to SEK 45.3 million and the contribution to the group's profit after tax for the same period would have amounted to SEK -21.8 million (excluding acquisition-related costs of GBP 1.2 million or SEK 16.4 million recognized in the period prior to the acquisition of IU).

Efficiency improvements

At the time of the acquisition, Surgical Science estimated that the efficiency gains that could be achieved would result in annual cost savings of between GBP 1.5 and 2.0 million (then corresponding to between SEK 20.3 and 27.0 million). Intelligent Ultrasound had sales of GBP 8.6 million in 2024 with an operating result of GBP -2.7 million. The number of employees was 48. To date, annual cost savings of approximately GBP 1.8 million have been achieved relative to the cost structure that existed in the company at the time of acquisition. The savings primarily stem from lower costs related to the company's previous IPO and staffing reductions, mainly in the sales organization. These cost savings began to take effect during the second quarter. Restructuring costs of SEK 3.9 million (GBP 0.3 million) are recognized in full in the first quarter.

For further information, please refer to press releases and the annual report for 2024.

Note 6. Goodwill

Reconciliation of goodwill in the group

SEK thousand	Jan 1, 2025 - June 30, 2025	Jan 1, 2024 - Dec 31, 2024
Opening acquisition value	3,610,400	3,424,121
Acquisitions for the year	16,564	-
Revaluation at the balance sheet date	-454,460	93,533
Closing accumulated cost	3,172,504	3,517,654
Closing carrying amount	3,172,504	3,517,654

# DEFINITIONS OF KEY FIGURES

Surgical Science believes that the key figures reported facilitate an understanding of the company's financial trends.

### EBITDA margin

Operating profit less depreciation, amortization, and impairment of tangible and intangible assets as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

### Equity per share

Reported equity divided by the number of shares outstanding at the end of the period. The key figure gives an idea of how much capital per share is attributable to shareholders.

### Average number of shares

The weighted average number of shares outstanding during the period.

### Average number of shares after dilution

The weighted average number of shares outstanding during the period, adjusted for any dilution effect from warrants.

### Adjusted EBIT margin

Operating profit less depreciation, amortization, and impairment of surplus values related to acquisitions as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

### Average number of employees

The number of employees recalculated as full-time positions per month divided by the number of months in the period.

### Net sales growth, %

Percentage change in net sales between two periods. This key figure conveys a view of the sales trend between periods.

### Earnings per share

Profit for the period in relation to the weighted average of the number of shares during the period.

### Earnings per share after dilution

Earnings after tax per share adjusted for any dilution effect from warrants.

### Operating profit

Profit before financial items and tax. This key figure shows the operating profit regardless of the financing structure and tax rate.

### Operating margin

Operating profit as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

### Equity/assets ratio

Equity as a percentage of total assets. This key figure conveys a view of the extent to which the total assets have been financed by the owners.

### Dividend per share

Dividend for the year divided by the number of shares outstanding on the date of payment of the dividend. Provides a picture of the value per share transferred to shareholders.

### Profit margin

Profit for the year as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

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