

# Interim report January–March 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.

# Strong growth despite macroeconomic uncertainties

## First quarter 2025 (Jan–Mar)

- Net sales amounted to SEK 250.7 (188.2) million, an increase of 33 percent compared with the corresponding period in the preceding year. SEK 18.3 million was acquired revenue.
- License revenue amounted to SEK 83.8 (63.2) million and accounted for 33 (34) percent of net sales.
- The gross margin was 69 (66) percent.
- Operating profit amounted to SEK 23.9 (26.0) 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 33.2 (23.8) million, corresponding to earnings per share of SEK 0.65 (0.47).
- Cash flow from operating activities amounted to SEK -5.0 (28.5) million. As at March 31, 2025, cash and cash equivalents amounted to SEK 612.9 (659.2) million.
- On January 15, it was announced that a letter of intent had been signed with the company's largest customer, Intuitive. This means that Surgical Science moves to a fully subscription-based revenue model with Intuitive and that all da Vinci 5 systems (Intuitive's new surgical system) will be equipped with simulation software from Surgical Science.
- On February 3, the nomination committee submitted its proposal for election of the board ahead of the annual general meeting on May 15. All existing members are proposed for re-election. Gisli Hennermark is proposed for election as chairman of the board.
- On February 4, it was announced that Surgical Science had won a procurement contract worth SEK 52 million to supply products to the defense ministry of a Southeast Asian country.
- On February 18, it was announced that the acquisition of Intelligent Ultrasound had been completed, and that the company would be consolidated into Surgical Science from the effective date.

## Key figures

	January–March		Full year
	2025	2024	2024
Net sales, SEK million	250.7	188.2	884.1
Operating profit (EBIT), SEK million	23.9	26.0	144.3
Operating profit (EBIT) excluding acquisition and restructuring costs, SEK million	50.4	26.0	144.3
Adjusted EBIT, SEK million	30.1	32.0	168.7
Adjusted EBIT margin, %	12.0	17.0	19.1
Adjusted EBIT margin, excluding acquisition and restructuring costs, %	22.6	17.0	19.1
Profit after financial items, SEK million	46.2	27.8	158.1
Net profit, SEK million	33.2	23.8	131.6
No. employees at end of period	336	265	274
Equity/assets ratio, %	91.4	92.5	88.1
Earnings per share, SEK	0.65	0.47	2.58
Equity per share, SEK	87.73	89.92	94.63
Share price on the balance sheet date, SEK	122.90	151.70	155.90
Market value on balance sheet date, SEK million	6,271.1	7,740.7	7,955.0

For definitions, see page 21.



# Updated financial targets

## Background

At the end of 2021, following the acquisition of Simbionix, Surgical Science built its strategic plan for the next five-year period, up to and including 2026. In this plan, it was expected that Educational Products would be able to grow by 10-15 percent on average per year over the period. At the same time, license revenues (Robotics) were expected to represent a significantly larger share of total revenues towards the end of the period than was the case at the time. A higher share of license revenues is the largest single driver of an increased margin. In addition, it was assessed that costs as a percentage of sales would not increase at the same rate as revenues.

## Financial targets

Current financial targets communicated in January 2022: The target is for Surgical Science to generate sales of SEK 1,500 million by 2026. Achieving this target may entail supplementary acquisitions. The Educational Products business area is expected to grow by an average of 10 to 15 percent annually over the period. With an extended and broadened product portfolio, the products will have different growth rates. For example, Surgical Science offers certain niche products in order to be able to submit complete tenders, although these are sold individually to a lesser extent. The Industry/OEM business area is expected to experience increasing growth during the period as robotic surgery products containing technology from Surgical Science are launched in the market. During the period, other application areas are also expected to be digitalized, which, alongside expanded application areas for simulation, will result in increased revenues.

At the end of the period, adjusted EBIT shall amount to 40 percent. Adjusted EBIT is calculated as EBIT excluding amortization and impairment on surplus values related to acquisitions.

## Development by area since 2021

During the years 2021 to 2023, Surgical Science delivered good growth of an average of 21 percent per year. 2024 was a weaker year with 0 growth and the average growth for the period 2021-2024 is thus 14 percent.

### Good general growth in Educational Products but weak in 2024

Educational products had an average growth of 22 percent in 2021-2023. The end of 2023 and 2024 were negatively impacted by high inflation, which put pressure on the hospital market and the budgets used for the purchase of Surgical Science's products. The effect of this was that sales within Educational Products decreased by 15 percent in 2024 and the average growth for the business area for the period 2021-2024 decreased to 8 percent. The company continues to have a positive view of Educational Products as a whole, although there is still inertia in certain markets, and believes that the average growth target of 10-15 percent per year in the period up to 2026 will be achieved.

### Strong confidence in the Robotics market, but parts of forecasted revenues have been postponed

Regarding Robotics in Industry/OEM, the development has been positive in many ways during the period. Surgical Science has secured several new customers and is today the dominant provider of medical simulation in this market. However, for some larger robotic companies, regulatory approvals have taken longer than expected, or initial development has progressed more slowly than estimated when the financial targets were developed. This affects Surgical Science's expected license revenues in the short term. In the longer term, the company maintains its positive view of the development of the robotics market and the company's position within it. The effect of what is described above means that license revenues are pushed forward in time. The share of license revenue is not, and will not be as high in relation to total sales in 2026 as estimated in 2021 for Surgical Sciences' financial targets for 2026. The share was 31 percent of total revenue in 2024.

### Substantial growth and potential in Medical Device Simulation

Within the Medical Device Simulation segment, Surgical Science today sees significantly greater opportunities than the company estimated in 2021, when this area was largely untapped. The area has grown strongly, increasing by 160 percent to over SEK 125 million in 2024 alone, and the

development going forward is very promising, with large customer needs that Surgical Science can meet. Since the segment contains hardware, it yields a lower margin than license revenues, and thereby affects Surgical Science's overall margin.

### **The addition of Intelligent Ultrasound affects revenue and margins**

Lastly, Surgical Science acquired Intelligent Ultrasound in the beginning of 2025. The addition of Intelligent Ultrasound, which had revenue of just over SEK 100 million in 2024, will contribute positively to Surgical Science's revenue, but in the short term will affect the total margin negatively.

### **Costs and margin**

Given that the share of license revenue has not corresponded to the level of the financial targets for 2026, the gross margin is a number of percentage points below the projected level.

On the cost side, the company sees that the projections made for 2026 hold up very well, adjusted for currency effects. Slightly larger investments have been made in R&D, while administration and sales costs are slightly below forecast. However, since revenue has not met targets, costs as a percentage of total sales are somewhat higher.

### **Conclusion**

Taken together, Surgical Science remains very positive about the company's growth opportunities with good profitability going forward.

### **The sales target:**

As a result of the developments, primarily in the Robotics segment, as described above, and the current global trade uncertainties, where direct and indirect effects are very difficult to forecast, the company's Board of Directors and management have revised the sales target to SEK 1,400 million for 2026.

### **The margin target:**

The result of primarily lower license revenues in relation to total revenues and increased investments in areas that also include hardware means that the target for adjusted EBIT for 2026 has been revised to 25-30 percent.

The company is closely monitoring the macroeconomic environment and its direct and indirect effects on the business.

### **New financial targets after 2026**

Surgical Science is now conducting a strategic review to capture and realize the growth opportunities that the company sees in the market going forward and plans to return in late autumn 2025 with new financial targets for the period after 2026.

# A message from the CEO

Q1 was an eventful quarter for Surgical Science, with strong growth and good underlying profitability. In the quarter, we also reached an all-time high for our important license revenue, which grew >30%, as the robotic surgery market continues to expand. Sales increased to SEK 251 (188) million with growth of 30 percent in local currencies. The newly acquired Intelligent Ultrasound contributed SEK 18 million to sales.

The positive development of Educational Products continued, and we saw a good increase in sales compared to Q1 2024, with 55 percent growth (32 percent excluding Intelligent Ultrasound) and sales at the same level as Q4 2024. Customer activity was generally high during the quarter, with many requests for demos and quotes from new and existing customers. We saw significant sales increases in the EMEA (+267%) and Asia (+58%) regions, and good growth in the Americas (+14%) region. At the same time, we experienced continued pressure on purchasing budgets for customers in key markets such as the US, where our quotes in a more challenging climate face tougher competition from other purchases that our customers must make. The market in the UK is also challenging with major savings programs within the NHS, which allocates much of the budget used for hospital purchases.

The sales team within Educational Products worked hard to maximize results given the current market situation. The new sales organization has been established, and we also now begin to see positive results from this in terms of sales, customer satisfaction, and efficiency. The positive development in China can partly be attributed to concerted proactive sales efforts to develop distribution channels and increase sales efficiency.

During the beginning of the second quarter, we have experienced reduced demand from our customers in Educational Products in the US, partly due to the above and partly due to the tariffs imposed between the US and other countries. Our ambition is to manage the increased tariff costs by way of corresponding price increases as far as possible.

Intelligent Ultrasound was welcomed into the Surgical Science family during the quarter. The integration process has progressed well, and it is gratifying to see that the synergies identified before the acquisition are now actually becoming apparent in practice. We are working according to a plan to realize these synergies, which are primarily found in distribution channels, strengthened sales presence in direct markets, cross-selling of products, and in



long-term product development. During the quarter, we have also officially opened our direct sales office in the UK.

The acquisition and integration have resulted in some one-off costs (transaction and restructuring costs) that negatively impacted profit in Q1. These one-off costs were in line with our plan. We also see that the estimated cost reductions from ongoing operations will be achieved in the coming quarters. Sales for Intelligent Ultrasound during the quarter were SEK 23 million (of which SEK 18 million is included in our sales), which was lower than expected. Although the Americas and APAC regions developed well, the UK market, which is important for the company, was weak due to the previously mentioned challenging budget situation within the NHS.

Industry/OEM continued its strong development with a 17 percent increase in sales for the quarter. We expect continued positive development in the segment, driven by the important role and value of simulation in the operations of robotic surgery and medical device companies. License revenues grew strongly by 33 percent to SEK 84 million and the market continued to develop at a very rapid pace.

In the last nine months, nine robot companies have received sales approval for 13 different procedures. Intuitive received FDA



“The quarter was very eventful with positive developments in many parts of the business. We have initiated a strategic review, to take advantage of and realize the growth opportunities we see, which will result in a further developed strategy by fall 2025.”

approval for da Vinci 5 in the US and South Korea (urology and gynecology). J&J received IDE approval (the step before FDA approval) in November for clinical trials on human patients with its Ottava platform. A number of companies, such as Medtronic (Hugo), CMR Surgical (Versius), Medcaroid (Hinotori), J&J (Ottava), and Intuitive (Dv5 and Single Port) are also in the process of obtaining further regulatory approvals in the coming quarters. All of this is driving demand for simulation and will positively impact Surgical Science's sales and license revenues.

Another clear trend is that medical device companies such as Medtronic (Covidien) and J&J (Ethicon) are now being challenged by robot companies such as Intuitive in their highly profitable instrument business (e.g. in stapling). It will therefore be strategically important for these major players to quickly grow their installed base of robots in order not to lose further market share in their instrument business. A key factor in a successful rapid rollout will be simulation and training, which will have a positive impact on Surgical Science.

Growth in procedures (the increase in the number of procedures with the installed base of robots) in robotic surgery remained strong during the quarter. Intuitive's procedure volumes grew by 17 percent, which was better than expected. Moreover, the company revised up its previous estimates for growth in procedures for the rest of the year to between 15 and 17 percent. The growth in procedures is now taking place rapidly for all robot companies in applications with low penetration. Companies such as Intuitive are also placing more systems than before, with leasing agreements based on usage. All this development demonstrates that the increase in competition is prompting all companies to maximize their installed base, which is very good news for Surgical Science since this in turn requires that more surgeons are trained in robotic surgery.

Simulator sales to medical device companies amounted to SEK 31 (35) million, with customer demand remaining very high. We estimate that this segment will continue to develop positively, driven by 1) the fact that simulation is becoming a strategically important tool for our customers when demonstrating their products for sales and training purposes, and 2) the rapid technical development within the segment that benefits Surgical Science. An example of this development is that flexible endoscopes are now being used for various endovascular applications, replacing rigid endoscopes that were previously used. Flexible tools require more motor skills and training on the part of surgeons, and our simulation solutions are then becoming an important tool for these new products.

The gross margin for the quarter was 69 (66) percent. The high proportion of license revenue had a positive impact on the margin, while Intelligent Ultrasound had a negative impact of just under 2 percentage points.

Operating profit amounted to SEK 24 million (or 10 percent) and was burdened by one-off costs associated with the acquisition of Intelligent Ultrasound of SEK 26 million. Adjusted for one-off costs, the operating profit was SEK 50 million (or 20 percent).

During the quarter, a strategic review was initiated, which will result in a further developed strategy by fall 2025, in order to capture all growth opportunities that we see in the market. There is a great deal of enthusiasm and energy internally regarding topics related to future growth and a commitment to efforts related to the strategy. During the quarter, we also chose to revise our financial targets up to 2026 (see page 3). We plan to communicate our new long-term financial targets (for the period beyond 2026) once we have completed the strategic review in late fall this year.

In summary, the quarter was very eventful with positive developments in many parts of the business. Surgical Science is now a company with several major business areas that have strong synergies between them. Industry/OEM, with robotic surgery and medical device customers, continues to have great potential and opportunity for good growth. There is healthy underlying long-term demand for our products in Educational Products. We have also further strengthened our positions in this segment through the acquisition of Intelligent Ultrasound. Ultrasound has, as a result of the acquisition, become one of our major revenue streams with good growth potential.

It has now been around six eventful and positive months since I took up the role as CEO of Surgical Science. The company is today a clear market leader with strong assets in terms of its products and technology, brand, global presence, and distribution network. However, one of our strongest assets is our dedicated and professional team, united in our vital purpose to improve patient safety and save lives with the help of medical simulation.

Onwards and upwards!

Gothenburg, May 2025

  
Tom Englund, CEO

# First quarter 2025 (January – March)

## Net sales

Net sales for the first quarter of the year amounted to SEK 250.7 (188.2) million, an increase of 33 percent compared with the same period in the preceding year. Calculated in local currencies, sales increased by 30 percent.

Net sales for Intelligent Ultrasound are partly included in the sales for the quarter, as the company is consolidated into the Surgical Science group as of February 18. For the quarter as a whole, Intelligent Ultrasound's sales were SEK 23.3 (29.8) million, of which SEK 18.3 million is included in Surgical Science's consolidated sales. All sales are attributable to the Educational Products business area and the ultrasound product group.

Of the sales for the quarter, SEK 122.9 (79.1) million consisted of sales within the Educational Products business area and SEK 127.7 (109.1) million within the Industry/OEM business area.

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. Following the acquisition of Intelligent Ultrasound, sales within the ultrasound product group have more than doubled, from approximately SEK 90 million in 2024 to approximately SEK 205 million on a pro forma basis.

## Educational Products

Sales within Educational Products increased by 55 percent, or 32 percent excluding sales originating from Intelligent Ultrasound. Simulator sales amounted to SEK 103.9 (56.6) million and service revenue to SEK 19.1 (22.5) million.

The Asia region showed a significant increase compared to the same quarter last year, although sales were lower than the previous quarter. In both cases, the difference is

mainly attributable to China and India. Sales from Intelligent Ultrasound for the region were SEK 0.6 million.

Sales in Europe were significantly higher than the comparison period and in line with the previous quarter. Most countries had higher sales than the previous year. Sales from Intelligent Ultrasound for the region were SEK 7.1 million.

North and South America reported stronger sales than in both the comparison period and the preceding quarter. Sales in the US were in line with the comparison period and significantly stronger than the previous quarter. The outlook for the US market going forward is uncertain. Discussions are ongoing more or less as usual with customers, but it remains to be seen whether tariffs and other macroeconomic factors will affect the closure of deals. It is Surgical Science's intention to reflect the increased costs of tariffs and fees in prices as far as possible. Sales from Intelligent Ultrasound for the region were SEK 10.6 million.

The region Other showed a significant increase compared to the same quarter last year, and slightly lower sales than the previous quarter. Intelligent Ultrasound had no sales in the region.

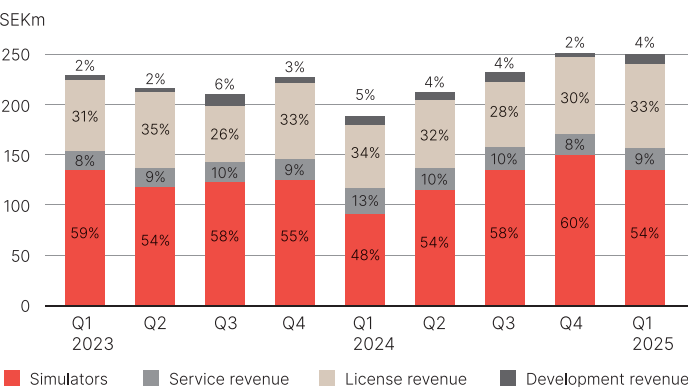
In terms of sales per region, in general these vary markedly between different countries and periods within Educational Products – when a major procurement is completed in one country, it is quite natural for there to be lower sales in that market in subsequent periods. Consequently, it can be difficult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

## Industry/OEM

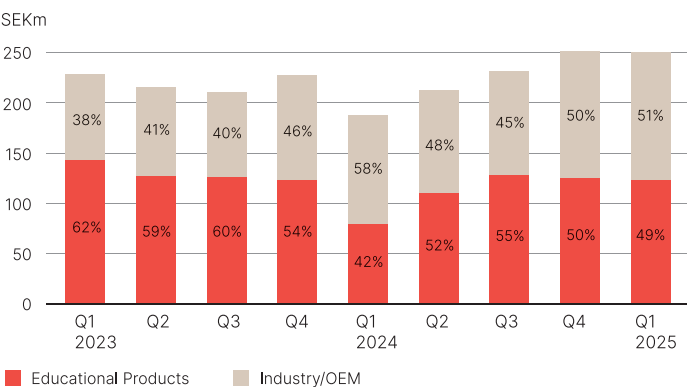
Industry/OEM showed growth of 17 percent.

License revenue for the first quarter amounted to SEK 83.8 (63.2) million, which is an increase of 33 percent compared with the same period in the preceding year. Sales accounted for 33 (34) percent of the company's total revenue.

## Revenue by revenue stream



## Revenue by business area



Surgical Science's new agreements 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. Annual subscription pricing has been established for the period 2025-2028, with a built-in discount over time as the subscription base expands. For other robot models, such as the da Vinci Xi, simulation will continue to be offered as an optional feature.

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 was somewhat higher in the first quarter than in the corresponding quarter in the preceding year (SEK 10.5 million compared with SEK 8.8 million). 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.

Sales of simulators to medical device companies for product-specific training amounted to SEK 30.6 (34.7) 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 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 2.8 (2.4) million.

For the quarter, there are no revenues attributable to the order to supply products to a ministry of defense in a Southeast Asian country, which totals SEK 52 million. The project will run

for 18 months, and approximately USD 0.7 million in revenue is expected to be recognized in the second quarter. This project will be fully recorded under Industry/OEM, while the TraumaVR products sold to hospitals will continue to be recorded under Educational Products.

### Costs and results

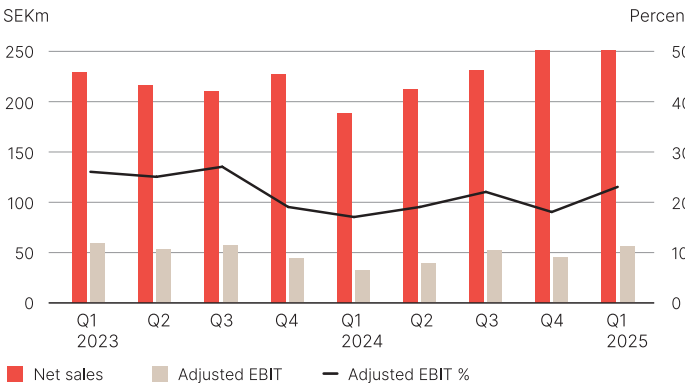
The cost of goods sold amounted to SEK 78.1 (64.9) million corresponding to a gross margin of 69 (66) percent. License revenue made up a slightly lower share of total sales than the corresponding period in the preceding year, which had a negative effect on the margin. As sales of proprietary simulators in the comparison quarter were very weak, the fixed costs within production in this quarter were spread over fewer simulators sold, which had a relatively greater negative impact on the margin. Average prices for proprietary simulators had a positive impact on the margin compared to the same period last year.

The consolidation of Intelligent Ultrasound has had a negative impact on the gross margin of nearly 2 percentage points.

Sales costs amounted to SEK 53.1 (40.5) million corresponding to 21 (21) percent of sales. In January, Surgical Science participated in IMSH, the biggest trade fair of the year for medical training. The event takes place in the US at this time every year. The company's annual distributor meeting was also held during the quarter, this time in Warsaw, where around a hundred people from 40 different countries participated. Of the SEK 3.9 million taken as restructuring costs in the quarter, SEK 3.8 million is in sales costs.

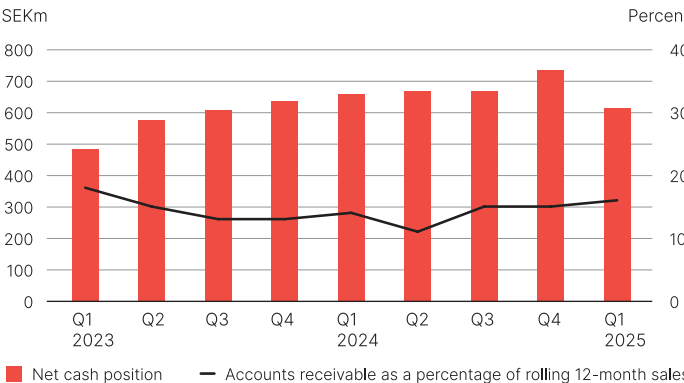
Administration costs amounted to SEK 43.8 million. These costs include Surgical Science's acquisition costs of SEK 22.6 million related to Intelligent Ultrasound. The costs consisted mainly of legal advice in the complicated process of acquiring a listed company in the UK through a court process. Excluding these costs, administration costs amounted to SEK 21.1 (15.7) million, corresponding to 8 (8) percent of sales.

### Adjusted EBIT\*



\* Exclusive of acquisition and restructuring costs attributable to IU in Q1 2025

### Net cash/Accounts receivable





Research and development costs amounted to SEK 55.2 (45.0) million, corresponding to 22 (24) percent of sales. Of the development costs, SEK 10.0 (9.8) 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.

Regarding the surplus value in the group attributable to the acquisition, preliminarily SEK 20.0 million, the allocation to any amortizable assets, such as customer contracts and technology, has not been completed. The allocation will be made during the second quarter, and any amortization on such surplus values from the acquisition on February 18 will be reported in this quarter.

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 1.5 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. In the first quarter, these cost savings had no effect. Conversely, there were restructuring costs of SEK 3.9 million (GBP 0.3 million). The costs are shown on different lines in the income statement. The cost savings are to a high degree expected to have an effect from the second quarter.

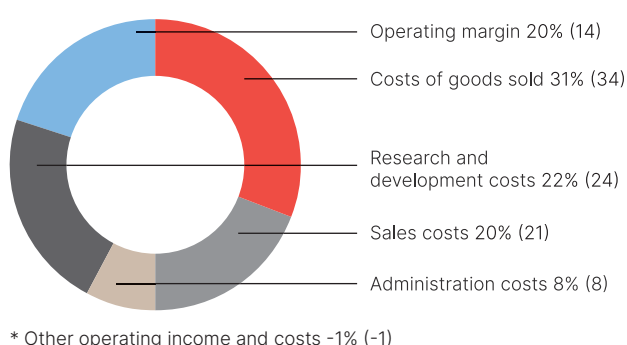
For the first quarter, a larger proportional share of sales for the quarter is included in the consolidated figures for Intelligent Ultrasound (total sales for the quarter of GBP 1.7 million or SEK 23.3 million, of which GBP 1.4 million or SEK 18.3 million is included in consolidated sales), due to more orders towards the end of the quarter. Regarding costs, a larger proportion occurred at the beginning of the quarter, largely due to the biggest trade fair of the year, IMSH, being held in January, and the associated costs this gives rise to. Operating loss consolidated for Intelligent Ultrasound is GBP -0.2 million or SEK -3.1 million, while the company's total operating loss for the period was GBP -2.4 million or SEK -32.3 million. Operating loss 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. Excluding this item and the restructuring costs, operating loss for the quarter was GBP -0.9 million or SEK -12.0 million.

Outstanding warrants programs were charged against other operating costs for the quarter in the amount of SEK 1.6 (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.

Other items under "Other operating income and costs" are mainly attributable to the revaluation of operating assets and operating liabilities in a foreign currency. The quarter also includes 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 quarter amounted to SEK 23.9 million. Adjusted for acquisition and restructuring costs, operating profit amounted to SEK 50.4 (26.0) million, corresponding to a margin of 20 (14) percent.

#### Costs/margin as a percentage of sales, excluding acquisition and restructuring costs



Depreciation and amortization burdened profit by SEK 18.8 (14.9) million in total. Depreciation and amortization burdened the cost of goods sold by SEK 0.6 (0.5) million, sales costs by SEK 4.9 (4.7) million, administration costs by SEK 6.6 (4.9) million, and research and development costs by SEK 6.8 (4.8) million. Sales costs include amortization of SEK 4.0 (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 2.1 (2.0) 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 5.5 (3.7) million, this being included in its entirety under administration costs.

Adjusted EBIT amounted to SEK 30.1 million. Adjusted for acquisition and restructuring costs, adjusted EBIT amounted to SEK 56.6 (32.0) million, corresponding to a margin of 23 (17) percent.

EBITDA amounted to SEK 42.7 million. Adjusted for acquisition and restructuring costs, EBITDA amounted to SEK 69.2 (40.8) million, corresponding to a operating margin of 28 (22) percent.

Net financial items for the quarter amounted to SEK 22.3 (1.9) million. Interest income from bank balances amounted to SEK 7.3 (6.1) million, and interest expenses on short-term loans

amounted to SEK -2.5 (0.0) million. In connection with the acquisition of Intelligent Ultrasound, a short-term loan of GBP 17 million was taken out. The loan was repaid during the quarter, resulting in a positive currency effect of SEK 10.8 million. During the quarter, dividend of GBP 36 million was also paid out from Intelligent Ultrasound to the parent company Surgical Science Sweden AB. This has no effect on the group.

Other items in net financial items include the revaluation of internal loan liabilities to subsidiaries of SEK 6.6 (-3.6) million and the effect of IFRS 16 of SEK -0.8 (-0.6) million.

Net profit for the quarter amounted to SEK 33.2 (23.8) million. The tax expense for the quarter of SEK 13.0 (4.1) 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. 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 and including Intelligent Ultrasound) of simulators to the US were approximately SEK 250 million. These sales are directly affected by tariffs. With a 10 percent tariff level, Surgical Science estimates the impact to be approximately SEK 10 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.

### Cash flow

During the period January–March 2025, cash flow from operating activities amounted to SEK -5.0 million compared to SEK 28.5 million for the corresponding period in 2024. The majority of the acquisition costs attributable to the acquisition of Intelligent Ultrasound were paid during the quarter. Larger tax payments were made in both Sweden and Israel. Cash flow from changes in working capital amounted to SEK -34.1 (-14.1) million. Both inventories and accounts receivable have increased during the quarter. Other current liabilities have decreased. These items are heavily influenced by changes in exchange rates, mainly due to the revaluation of internal receivables and liabilities. In unchanged currencies, both accounts receivable and inventory have increased marginally.

Cash flow from investing activities amounted to SEK -95.6 (-10.4) million. SEK -84.9 million is attributable to the acquisition of Intelligent Ultrasound, see note 5 on page 20. The remaining part consists mainly of investments in development related to the company's software.

Cash flow from financing activities amounted to SEK -234.5 (-2.6) million, where SEK -4.4 (-1.9) 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 has been repaid during the first quarter, which negatively impacted cash flow from financing activities by SEK 235.4 million.

The exchange rate difference in cash and cash equivalents amounted to SEK -20.2 (9.3) million. Net cash flow for the quarter, including currency effects in liquid assets, was SEK -355.3 (24.8) million.

### 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/payables 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.

### 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.

Surgical Science's revenue for 2024 as a whole had the following approximate distribution in 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 2024 as a whole had the following approximate distribution in 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 March 31, 2025, the group's cash and cash equivalents amounted to SEK 612.9 million, equity to SEK 4,476.6 million, and the equity/assets ratio was 91 percent. As at March 31, 2024, the group's cash and cash equivalents amounted to SEK 659.2 million, equity to SEK 4,588.3 million, and the equity/assets ratio was 93 percent. As at March 31, 2025 equity per share amounted to SEK 87.73 (89.92).

### 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.

### 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 336 (265) employees, of whom 103 (74) were women and 233 (191) were men. Of these, 70 (58) were employed in Sweden, 146 (136) in Israel, 63 (56) in the US, 39 (1) in the UK, and the remaining 18 (14) mainly in Germany and China.

### Information on transactions with related parties

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

### Proposed appropriation of profits

The board has proposed to the annual general meeting held on May 15, 2025 that no dividend should be paid for the 2024 financial year, i.e. SEK 0.00 per share.

### 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.

**Annual general meeting and annual report**

The annual general meeting of Surgical Science Sweden AB (publ) will be held on May 15, 2025. For more information, see [www.surgicalscience.com](http://www.surgicalscience.com).

Surgical Science’s 2024 annual report is available to download from Surgical Science’s website and is sent on request

to shareholders who provide their postal address. The annual report is available in Swedish and English.

**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, May 14, 2025

Board of directors

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

**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–June 2025: Thursday, August 21  
Interim report January–September 2025: Thursday, November 13  
Year-end report 2025: Thursday, February 19, 2026

**Other dates:**

Annual general meeting 2025: Thursday, May 15

**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.

**Please address any questions to:**

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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 May 14, 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–March		Full year
	2025	2024	2024
Net sales	250,691	188,243	884,087
Cost of goods sold	-78,092	-64,918	-286,189
<b>Gross profit</b>	<b>172,599</b>	<b>123,325</b>	<b>597,897</b>
Sales costs	-53,122	-40,456	-175,260
Administration costs	-43,752	-15,744	-77,119
Research and development costs	-55,206	-45,039	-196,110
Other operating income and costs	3,419	3,890	-5,087
<b>Operating profit</b>	<b>23,938</b>	<b>25,976</b>	<b>144,320</b>
Financial income and costs	22,273	1,862	13,773
<b>Profit after financial items</b>	<b>46,211</b>	<b>27,838</b>	<b>158,093</b>
Taxes	-12,974	-4,046	-26,446
<b>Net profit</b>	<b>33,237</b>	<b>23,792</b>	<b>131,646</b>
<b>Attributable to</b>			
Parent company shareholders	33,237	23,792	131,646
Earnings per share, SEK	0.65	0.47	2.58
Earnings per share, SEK*	0.65	0.47	2.58
Amortization of intangible assets	-10,863	-9,399	-36,892
Depreciation of tangible assets	-7,948	-5,469	-23,623

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

## Consolidated statement of income and other comprehensive income

SEK thousands	January–March		Full year
	2025	2024	2024
<b>Net profit</b>	<b>33,237</b>	<b>23,792</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	-386,801	218,307	344,546
<b>Total other comprehensive income</b>	<b>-386,801</b>	<b>218,307</b>	<b>344,546</b>
<b>Comprehensive income</b>	<b>-353,564</b>	<b>242,099</b>	<b>476,192</b>
<b>Comprehensive income attributable to</b>			
Parent company shareholders	-353,564	242,099	476,192

## Condensed consolidated statement of financial position

SEK thousands	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for product development	97,110	74,427	98,457
Patents, trademarks, and concessions	56,189	60,367	61,759
Customer contracts	87,232	102,369	92,445
Technology	50,063	61,603	57,055
Goodwill	3,334,752	3,517,654	3,615,848
Other intangible fixed assets	28,239	2,598	2,189
Tangible fixed assets	111,479	75,274	101,534
Deferred tax assets	14,523	15,514	16,331
Other financial fixed assets	8,096	5,022	8,049
<b>Total non-current assets</b>	<b>3,787,683</b>	<b>3,914,828</b>	<b>4,053,666</b>
<b>Current assets</b>			
Inventories	187,880	168,780	179,583
Accounts receivable	148,425	114,671	136,702
Other current receivables	56,520	24,607	43,652
Prepaid expenses and accrued income	103,740	77,012	97,914
Cash and cash equivalents	612,891	659,182	968,155
<b>Total current assets</b>	<b>1,109,456</b>	<b>1,044,252</b>	<b>1,426,007</b>
<b>TOTAL ASSETS</b>	<b>4,897,139</b>	<b>4,959,080</b>	<b>5,479,673</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to parent company shareholders</b>	<b>4,476,644</b>	<b>4,588,283</b>	<b>4,828,639</b>
Non-current liabilities	135,332	123,114	138,313
Liabilities to credit institutions	1,644	1,793	235,408
Other current liabilities	283,520	245,890	277,314
<b>Total liabilities</b>	<b>420,496</b>	<b>370,797</b>	<b>651,035</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,897,139</b>	<b>4,959,080</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–Mar				23,792	23,792
Other comprehensive income for the period			218,307		218,307
Warrants program IFRS 2			972		972
<b>Closing balance March 31, 2024</b>	<b>2,551</b>	<b>3,398,121</b>	<b>656,056</b>	<b>531,555</b>	<b>4,588,283</b>
Profit for the period Apr–Dec				107,854	107,854
Other comprehensive income for the period			126,238		126,238
Warrants program IFRS 2			6,263		6,263
<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–Mar				33,237	33,237
Other comprehensive income for the period			-386,801		-386,801
Warrants program IFRS 2			1,570		1,570
<b>Closing balance March 31, 2025</b>	<b>2,551</b>	<b>3,398,121</b>	<b>403,326</b>	<b>672,646</b>	<b>4,476,644</b>

# Condensed consolidated cash flow statements

SEK thousands	January–March		Full year
	2025	2024	2024
<b>Operating activities</b>			
Profit before financial items	23,938	25,976	144,320
Adjustment for non-cash items, etc.	21,288	12,162	67,711
Interest paid/received	4,411	5,511	18,768
Tax paid	-20,448	-1,042	-27,686
<b>Cash flow from operating activities before changes in working capital</b>	<b>29,189</b>	<b>42,607</b>	<b>203,113</b>
<b>Changes in working capital</b>			
Increase (-)/Decrease (+) in inventories	-6,639	-7,695	-11,556
Increase (-)/Decrease (+) in operating receivables	-48,328	-12,027	-20,238
Increase (+)/Decrease (-) in operating liabilities	20,820	5,602	-34,094
<b>Cash flow from changes in working capital</b>	<b>-34,147</b>	<b>-14,120</b>	<b>-65,888</b>
<b>Cash flow from operating activities</b>	<b>-4,958</b>	<b>28,487</b>	<b>137,225</b>
<b>Investing activities</b>			
Investments in tangible fixed assets	-1,325	-548	-6,104
Investments in intangible fixed assets	-9,370	-9,852	-41,426
Investment in business	-84,887	–	–
<b>Cash flow from investing activities</b>	<b>-95,582</b>	<b>-10,400</b>	<b>-47,530</b>
<b>Financing activities</b>			
Change in non-current liabilities	-3,547	-714	-5,525
Change in liabilities to credit institutions	-235,408	–	235,408
Change in lease liabilities	4,443	-1,851	-2,230
<b>Cash flow from financing activities</b>	<b>-234,512</b>	<b>-2,565</b>	<b>227,653</b>
<b>Cash flow for the period</b>	<b>-335,052</b>	<b>15,522</b>	<b>317,348</b>
Opening cash and cash equivalents	968,155	634,366	634,366
Exchange-rate difference in cash and cash equivalents	-20,212	9,294	16,441
<b>Closing cash and cash equivalents</b>	<b>612,891</b>	<b>659,182</b>	<b>968,155</b>

## Key figures, group

	January–March		Full year
	2025	2024	2024
Net sales growth, %	33.2	-17.8	0.1
Gross margin, %	68.8	65.5	67.6
EBITDA margin, %	17.1	21.7	23.2
Operating margin, %	9.5	13.8	16.3
Profit margin, %	13.3	12.6	14.9
Equity/assets ratio, %	91.4	92.5	88.1
Shares outstanding at end of period	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period*	51,026,236	51,026,236	51,026,236
Average shares outstanding	51,026,236	51,026,236	51,026,236
Average shares outstanding*	51,026,236	51,026,236	51,026,236
Equity per share, SEK	87.73	89.92	94.63
Equity per share, SEK*	87.73	89.92	94.63
Dividend per share, SEK	0.00	0.00	0.00**
Share price on the balance sheet date, SEK	122.90	151.70	155.90
Average number of employees	288	256	256

\* After dilution. See Note 4 for information regarding warrant programs. | \*\* Proposal by the board to the 2025 annual general meeting. | See page 21 for definitions of key figures.

## Consolidated income statements by quarter

SEK thousands	Jan–Mar 2025	Oct–Dec 2024	Jul–Sep 2024	Apr–Jun 2024	Jan–Mar 2024	Oct–Dec 2023	Jul–Sep 2023	Apr–Jun 2023
Net sales	250,691	251,549	231,828	212,466	188,243	227,293	210,246	216,237
Cost of goods sold	-78,092	-81,474	-70,816	-68,982	-64,918	-64,864	-65,221	-69,498
<b>Gross profit</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>	<b>146,740</b>
Sales costs	-53,122	-49,898	-42,617	-42,290	-40,456	-42,502	-37,042	-41,022
Administration costs	-43,752	-22,338	-18,040	-20,998	-15,744	-19,750	-20,649	-15,444
Research and development costs	-55,206	-51,656	-50,575	-48,841	-45,039	-46,247	-40,810	-48,452
Other operating income and costs	3,419	-7,056	-3,995	2,075	3,890	-16,275	4,169	5,716
<b>Operating profit</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>	<b>47,538</b>
Financial income and costs	22,273	295	7,239	4,376	1,862	80,784	1,741	-5,176
<b>Profit after financial items</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>	<b>42,362</b>
Taxes	-12,974	-3,159	-10,002	-9,238	-4,046	-20,478	-5,031	-3,573
<b>Net profit</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>38,789</b>
<b>Attributable to</b>								
Parent company shareholders	33,237	36,264	43,023	28,568	23,792	97,962	47,403	38,789
Earnings per share, SEK	0.65	0.71	0.84	0.56	0.47	1.92	0.93	0.76
Earnings per share, SEK*	0.65	0.71	0.84	0.56	0.47	1.92	0.93	0.76
Average shares outstanding	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	50,863,736
Average shares outstanding*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	50,912,736
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	51,044,111	51,026,236	51,089,265

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

## Parent company income statements

SEK thousands	January–March		Full year
	2025	2024	2024
Net sales	45,333	17,605	126,574
Cost of goods sold	-17,142	-3,800	-55,459
<b>Gross profit</b>	<b>28,191</b>	<b>13,805</b>	<b>71,115</b>
Sales costs	-3,143	-5,656	-18,915
Administration costs	-5,435	-7,363	-21,441
Research and development costs	-6,138	-2,923	-28,960
Other operating income and costs	-3,082	1,207	-5,257
<b>Operating profit</b>	<b>10,393</b>	<b>-930</b>	<b>-3,457</b>
Financial income and costs	508,262	1,685	7,800
<b>Profit after financial items</b>	<b>518,655</b>	<b>755</b>	<b>4,343</b>
Appropriations (group contributions)	–	–	63,557
Taxes	-6,090	-155	-14,437
<b>Net profit</b>	<b>512,564</b>	<b>600</b>	<b>53,464</b>
Amortization of intangible assets	-2,486	-2,018	-7,978
Depreciation of tangible assets	-195	-245	-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	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for product development	30,158	27,769	30,664
Other intangible fixed assets	1,003	1,163	1,075
Tangible fixed assets	1,492	2,400	1,687
Participations in group companies	3,764,531	3,133,116	3,131,505
<b>Total non-current assets</b>	<b>3,797,184</b>	<b>3,164,448</b>	<b>3,164,931</b>
<b>Current assets</b>			
Inventories	8,394	10,056	6,659
Accounts receivable	22,839	11,154	27,761
Current receivables from group companies	28,660	19,212	71,845
Other current receivables	3,086	762	1,940
Prepaid expenses and accrued income	19,855	5,939	14,089
Cash and bank position	340,157	418,308	659,075
<b>Total current assets</b>	<b>422,991</b>	<b>465,431</b>	<b>781,370</b>
<b>TOTAL ASSETS</b>	<b>4,220,175</b>	<b>3,629,879</b>	<b>3,946,300</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4,081,896</b>	<b>3,508,247</b>	<b>3,567,762</b>
Liabilities to credit institutions	1,644	–	235,408
Current receivables from group companies	84,226	70,411	78,112
Other current liabilities	52,409	51,221	65,019
<b>Total liabilities</b>	<b>138,279</b>	<b>121,632</b>	<b>378,539</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,220,175</b>	<b>3,629,879</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–March		Full year
	2025	2024	2024
<b>Educational Products</b>	<b>122,943</b>	<b>79,125</b>	<b>442,496</b>
- Simulators, hardware and software	103,850	56,629	364,345
- Service and support revenue	19,093	22,496	78,151
<b>Industry/OEM</b>	<b>127,748</b>	<b>109,118</b>	<b>441,591</b>
- Simulators, hardware and software	30,580	34,709	126,716
- Service and support revenue	2,839	2,442	12,095
- License revenue	83,810	63,183	271,657
- Development revenue	10,519	8,784	31,123
<b>Net sales</b>	<b>250,691</b>	<b>188,243</b>	<b>884,087</b>

### Revenue by business area and geographic area

SEK thousands	January–March		Full year
	2025	2024	2024
<b>Educational Products</b>	<b>122,943</b>	<b>79,125</b>	<b>442,496</b>
- Europe	33,112	9,032	92,900
- North and South America	61,859	54,335	207,011
- Asia	19,833	12,555	111,149
- Other	8,139	3,203	31,436
<b>Industry/OEM</b>	<b>127,748</b>	<b>109,118</b>	<b>441,591</b>
- Europe	15,386	7,414	59,893
- North and South America	104,809	99,697	355,988
- Asia	5,709	1,919	21,140
- Other	1,844	88	4,570
<b>Net sales</b>	<b>250,691</b>	<b>188,243</b>	<b>884,087</b>

### Revenue by product group

SEK thousands	January–March		Full year
	2025	2024	2024
<b>Robotics</b>	<b>93,566</b>	<b>75,824</b>	<b>336,593</b>
<b>Vascular surgery</b>	<b>39,718</b>	<b>38,670</b>	<b>153,946</b>
<b>Laparoscopy</b>	<b>28,294</b>	<b>12,165</b>	<b>124,494</b>
<b>Endoscopy</b>	<b>29,471</b>	<b>17,884</b>	<b>112,345</b>
<b>Ultrasound</b>	<b>37,840</b>	<b>23,980</b>	<b>89,201</b>
<b>Other</b>	<b>21,801</b>	<b>19,720</b>	<b>67,507</b>
<b>Net sales</b>	<b>250,691</b>	<b>188,243</b>	<b>884,087</b>

## Note 3. Financial instruments

SEK thousands	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Financial assets	775,809	780,209	1,119,923
Financial liabilities	223,443	183,884	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 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 10,000 and the number of shares by 200,000, corresponding to the dilution of the total number of shares and votes by slightly less than 0.4 percent.

### Incentive program costs

Preliminarily, the incentive program is estimated to entail social security contributions of SEK 0.9 million, as well as costs of SEK 5.8 million in accordance with the accounting rules under IFRS2. For the period January to March 2025, the program has impacted profits negatively by SEK 0.4 (0.4) million. The amount comprises the IFRS2 cost attributable to Israel and the US and is distributed across the term of the program until July 2025.

### 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 January to March 2025, the program has impacted profits negatively by SEK 0.6 (0.6) 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 January to March 2025, the program has impacted profits negatively by SEK 0.6 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.

## Programs 2022\_25, 2023\_26, and 2024\_27

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 Intelligent Ultrasound in the UK for approximately SEK 630 million on a fully diluted basis, which is estimated to correspond to a value of approximately SEK 65 million on a cash and debt-free basis. The valuation implies a sales multiple of approximately 0.5 times Intelligent Ultrasound's sales.

On February 18, 2025, it was announced that the acquisition of Intelligent Ultrasound had come into effect, and that Surgical Science owns all shares in the company. Intelligent Ultrasound is consolidated into Surgical Science from the effective date.

A review of Intelligent Ultrasound's operations is currently underway. 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 profit of GBP -2.7 million. The number of employees was 48.

Currently, on an annual basis, cost savings of approximately GBP 1.5 million in relation to the cost structure that existed in the company at the time of the takeover have been achieved, mainly in the form of reduced costs related to the company's previous stock market listing and staff reductions, mainly in respect of sales in the US. In the first quarter, these cost savings had no effect. Conversely, there were restructuring costs of SEK 3.9 million (GBP 0.3 million). The cost savings are to a high degree expected to have an effect from the second quarter.

In connection with the offer to acquire Intelligent Ultrasound, a short-term loan of GBP 17 million (SEK 235.4 million as at December 31, 2024) was taken out. The loan has been repaid during the first quarter of 2025. Dividend of GBP 36 million has also been paid from Intelligent Ultrasound to the parent company Surgical Science Sweden AB.

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

## Reported amount of identifiable assets and liabilities at the time of acquisition

SEK thousands	Reported value in Intelligent Ultrasound as at February 18, 2025	Fair value adjustment	Fair value reported in the group
Intangible fixed assets	28,146		28,146
Tangible fixed assets	11,269		11,269
Non-current receivables	820		820
Inventories	19,974		19,974
Current receivables	18,385		18,385
Prepaid expenses and accrued income	29,894		29,894
Cash and cash equivalents	525,535		525,535
Non-interest-bearing liabilities	-8,634		-8,634
Accounts payable	-9,351		-9,351
Other current liabilities	-12,875		-12,875
Prepaid income and accrued expenses	-13,262		-13,262
<b>Net identifiable assets and liabilities</b>	<b>590,406</b>		<b>590,406</b>
Group goodwill			20,015
<b>Purchase consideration paid</b>			<b>610,421</b>

The surplus value attributable to the acquisition has been estimated at approximately SEK 20.0 million, although the calculation is not yet fully finalized. An analysis is underway to determine which proportion of the surplus value should be classified as other intangible assets.

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 recorded against shares in subsidiaries.

In the month and a half from the acquisition date to March 31, 2025, the acquired subsidiary contributed SEK 18.3 million to the group's revenue and SEK -1.0 million to the group's profit after tax. Had the acquisition occurred on January 1, 2025, management estimates that the contribution to the group's revenue for the period January to March 2025 would have been SEK 23.3 million, and the contribution to the group's profit after tax for the same period would have been SEK -32.3 million. The profit 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.

## Note 6. Goodwill

### Reconciliation of goodwill in the group

SEK thousands	Jan 1, 2025 - Mar 31, 2025	Jan 1, 2024 - Dec 31, 2024
Opening acquisition values	3,517,654	3,424,121
Acquisitions for the year*	20,015	-
Revaluation at the balance sheet date	-202,917	93,533
<b>Closing accumulated cost</b>	<b>3,334,752</b>	<b>3,517,654</b>
<b>Closing carrying amount</b>	<b>3,334,752</b>	<b>3,517,654</b>

\* The allocation of the surplus value in the acquisition of Intelligent Ultrasound to any other intangible asset is ongoing.

# Definition 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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