



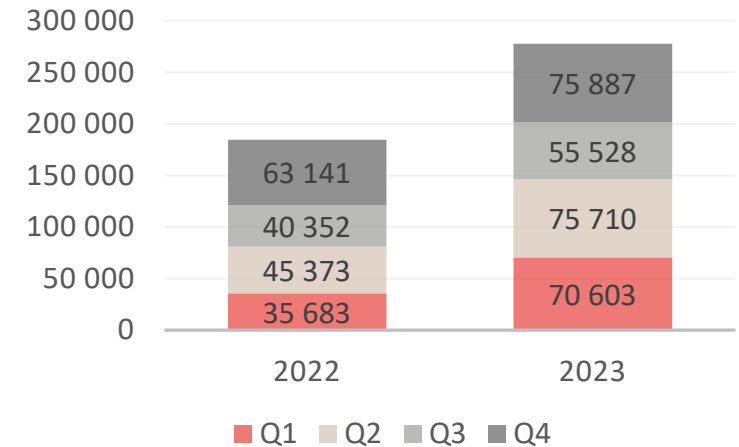
**Surgical Science
Presentation of Year-end report 2023
February 21, 2024**



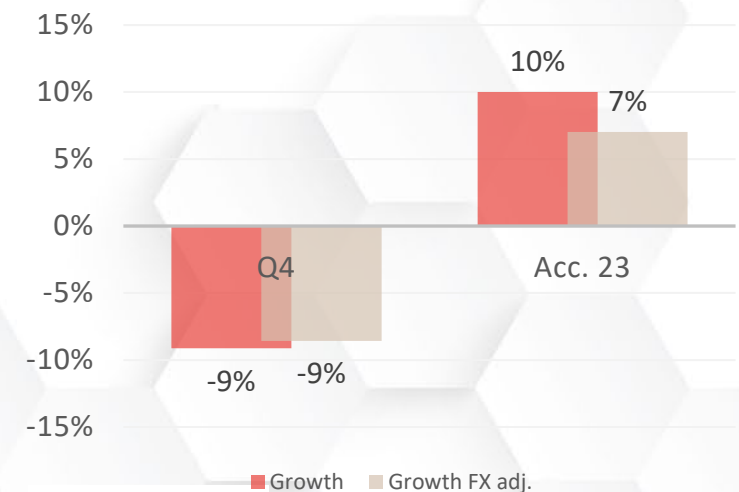
CEO comments – Q4

- Total revenue decreased in Q4
 - Lack of Q4 effect for Edu Products in 2023 due to economy
 - Chinese market challenge takes longer than expected for Edu Products
- License revenue growth >50% in 2023
 - Utilization of surgical robots increasing
 - Hospitals embracing simulation in robotic multi-vendor environment
 - Surgical Science advancing simulation
- Market leader Intuitive announcing FDA submission of “da Vinci 5”
- Profit margin hit by currency effect on receivables
- Israel – emotional but no delivery/deadline missed
- On track towards 2026 goals

License Revenues
(SEKt)



Acc Rev Growth -23





Q4: Strong license rev's, weaker simulator sales



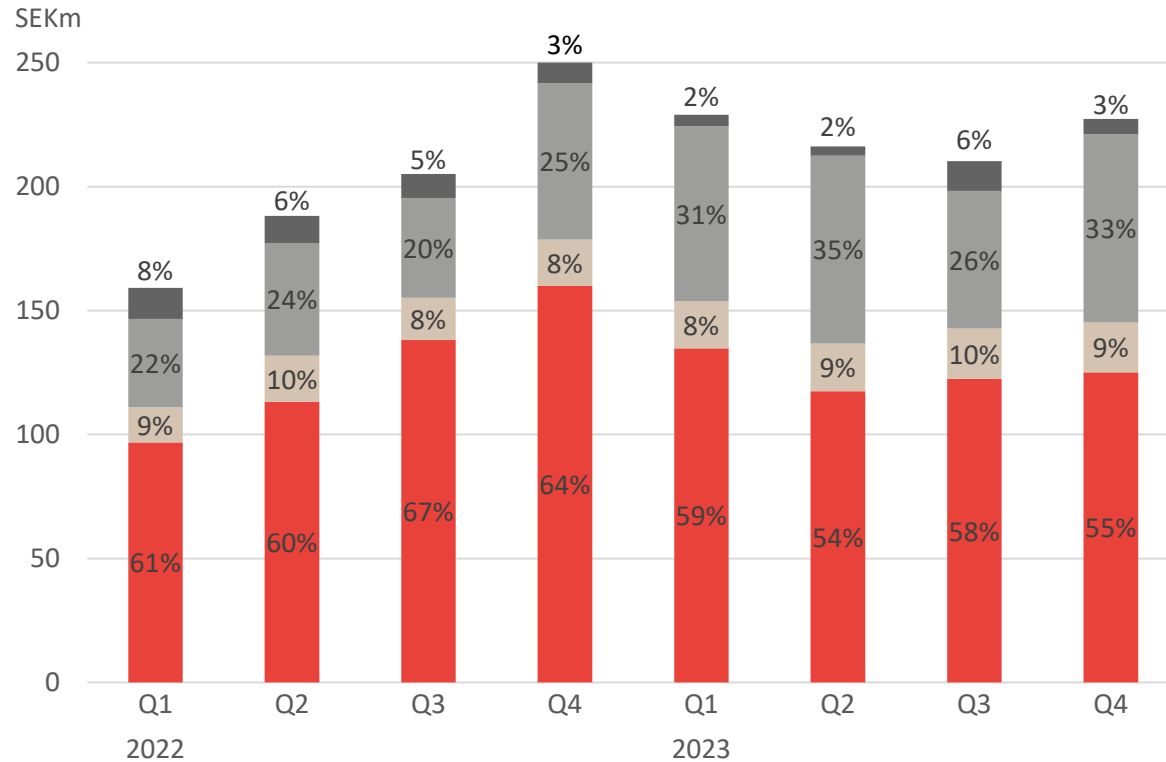
Q4:

- Net sales was down 9% - SEKm 227.3 (250.1). In local currencies -9%.
- Educational Products' sales was down 20%. In line with Q2 and Q3, no Q4 effect. US weak, China still anti-corruption campaign affecting the healthcare sector.
- Industry/OEM was up 9%. License rev's up 20%, ATH. Dev rev's and sim sales lower than last year.

FY 2023:

- Net sales +10%, SEKm 882.9 (802.5). In local currencies +7%.
- Edu +2%, Indu +24%. Edu CAGR above target since financial goals were communicated. Licence rev's up 50%.

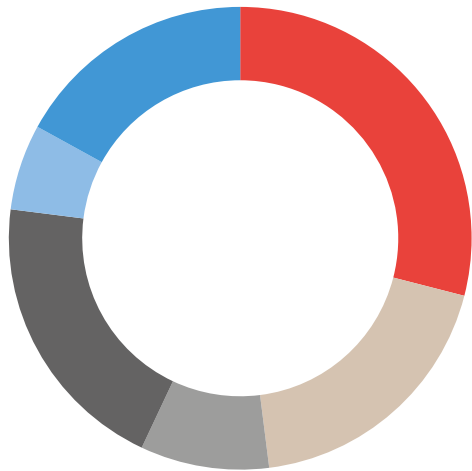
REVENUE STREAMS – strong year for licence rev's



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Development revenue	12,5	11,1	9,6	8,3	4,6	3,8	12,0	6,2
License revenue	35,7	45,4	40,4	63,1	70,6	75,7	55,5	75,9
Service revenue	14,1	18,5	17,0	18,6	19,1	19,2	20,3	20,2
Simulators	96,9	113,2	138,2	160,1	134,7	117,5	122,4	125,0

- License rev's: SEKm 75.9 (63.1). Lumpy for new entrants, revenues from several customers.
- Simulator sales down, no Q4 effect. Excl. US order 2022 increase was 18% for FY2023.
- Development rev's somewhat lower. Consist of both robotics projects and sales of simulators w/in Indu.
- Service revenues stable, growing with installed base.

COSTS AND EBIT MARGIN Q4 2023



- Costs of goods sold 29% (34)
- Sales costs 19% (17)
- Administration costs 9% (7)
- Research and development costs 20% (19)
- Other operating income/costs 6% (-1)
- Operating margin 17% (24)

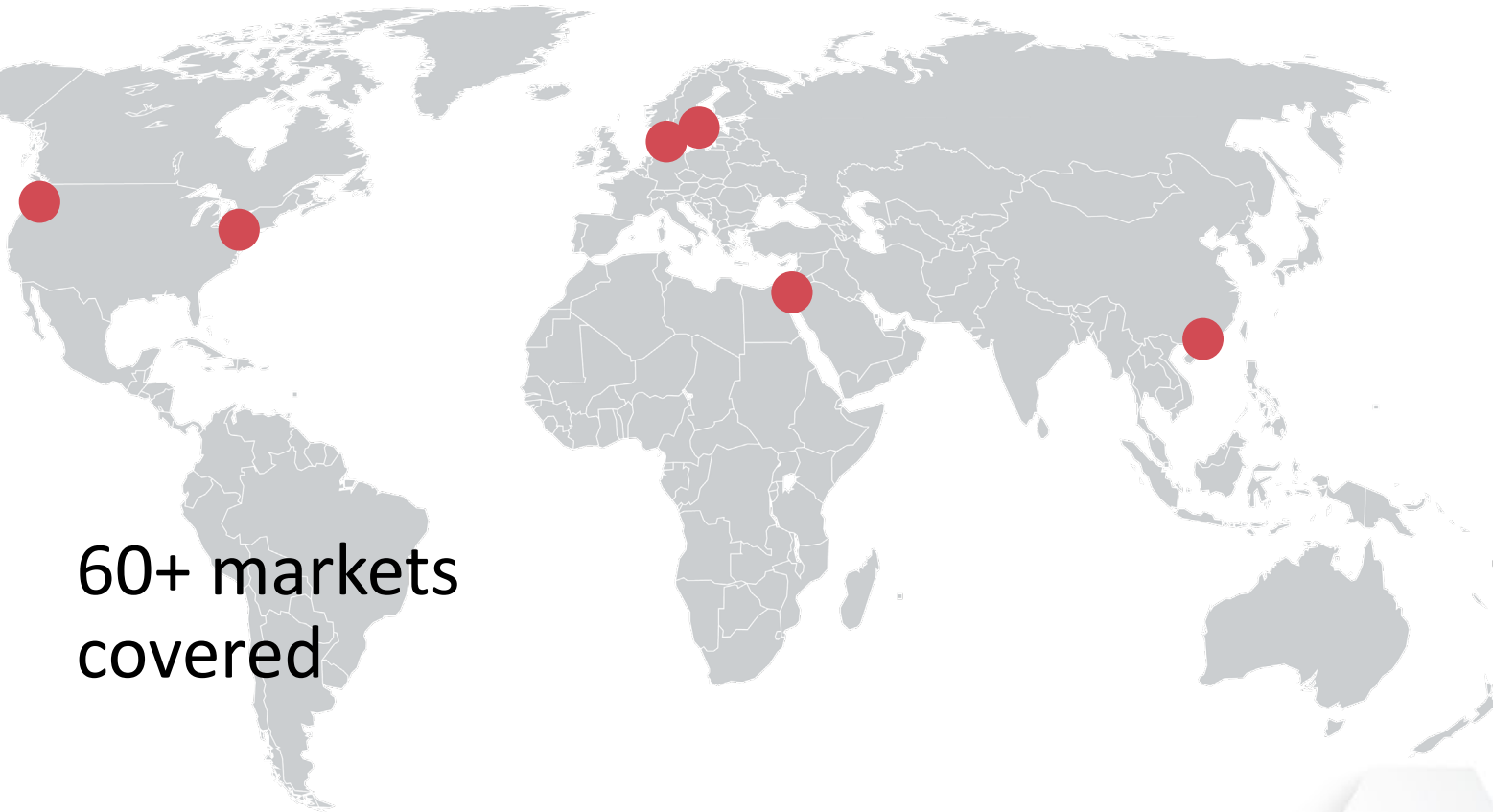
- Gross margin 71% (66). Increased share of license revenues (33 vs 25%) had a positive effect. Product mix and ASP also favorable.
- Sales: costs increased a bit, usually higher in Q4. 19% (17) of sales.
- Admin: 9% (7) of sales.
- R&D: costs on par, 20% (19) of sales. Activated costs SEKm 7.9 (7.6).
- Other: large currency effect from weaker USD, SEKm -15.3.
- EBIT SEKm 37.7 (61.2), 17% (24).

Q4 2023 (Q4 2022)

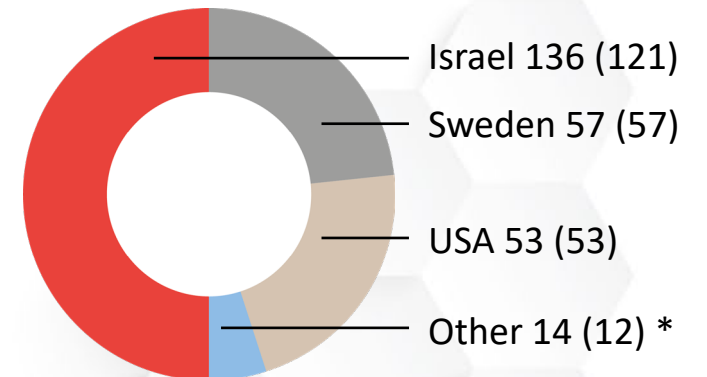
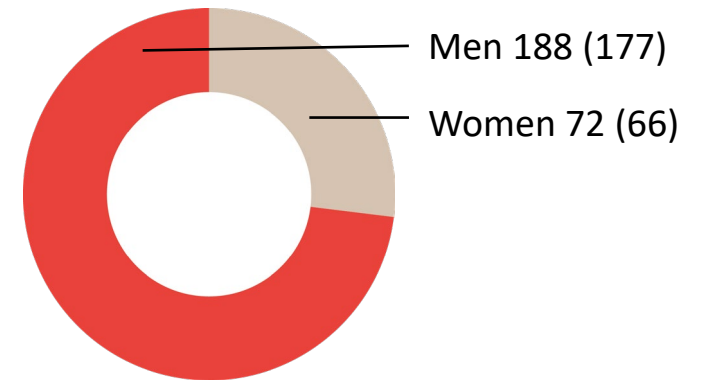


ORGANIZATION

No of employees at end of period: 260 (243)



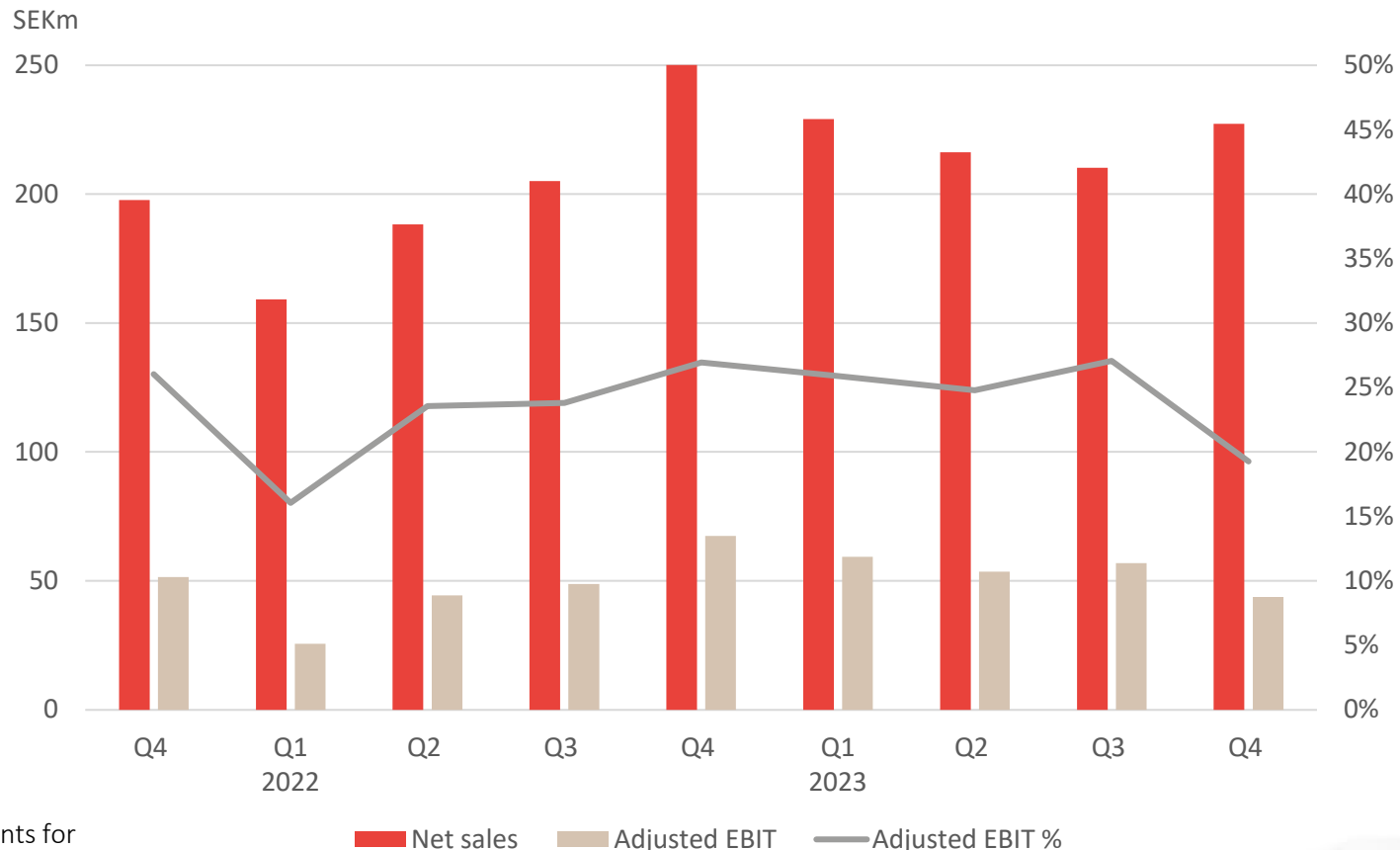
● Offices / Development sites



* Other: Primarily Germany and China.



ADJUSTED EBIT



Adjustments for acquisition related costs:

*Q1 2021, SEK 6.0 m

*Q3 2021, SEK 21.8 m

*Q4 2021, SEK 0.5 m

Q4:

- Adjusted EBIT SEKm 43.8 (67.4), margin 19% (27).

YTD:

- Adjusted EBIT SEKm 213.6 (186.0), margin 24% (23).



FINANCE NET AND TAXES

- Finance net for the quarter SEKm 80.8 (65.8). Effect Mimic earnout SEKm 70.2 (57.1). Other items are interest on bank balances, revaluation of internal loans towards subsidiaries and IFRS16 effect.
- Taxes paid affected by NOL carryforwards in Sweden and the US. For 2024 NOLs left in the US only.
- Net result for the quarter SEKm 98.0 (116.5) and for FY2023 SEKm 234.0 (188.0).



CASH FLOW – A/R continued to decrease



- Cash flow from operating activities SEKm 39.6 (78.5). Change in working capital SEKm -14.8 (-4.8). Inventory and A/R decreased, other current receivables increased.
- Cash flow from investing activities mainly investments in development costs.
- Cash flow from financing activities primarily IFRS16.
- Cash at end of period SEKm 634.4 (433.7).
- A/R as % of sales LTM decreasing trend.

2024 Annual Partner Meeting



Thank you

Find out more at:
www.surgicalscience.com

Gisli Hennermark, CEO
gisli.hennermark@surgicalscience.com

Anna Ahlberg, CFO
anna.ahlberg@surgicalscience.com