



Hyperfine Reports First Quarter 2022 Financial Results

May 11, 2022

GUILFORD, Conn., May 11, 2022 (GLOBE NEWSWIRE) -- Hyperfine, Inc. (Nasdaq: HYPR), the creator of Swoop®, the world's first FDA-cleared portable MRI system™, today reported financial results for the quarter ended March 31, 2022. Management will host a corresponding conference call to discuss the financial results and provide a business update today at 1:30 p.m. Pacific Time / 4:30 p.m. Eastern Time.

"We are pleased with our progress in the first quarter. We continued to build awareness of Swoop's tremendous value proposition and installed 11 commercial systems," said Dave Scott, President and CEO of Hyperfine. "We now have a commercial installed base* of 38 systems and a total, global installed base of 85 systems - and we look forward to continuing to execute our growth plan through 2022 and beyond."

First Quarter 2022 Financial Results

- Revenues for the first quarter of 2022 were \$1.509 million, compared to \$0.331 million in the first quarter of 2021.
- Gross margin for the first quarter of 2022 was \$0.084 million, compared to \$(0.277) million in the first quarter of 2021.
- Research and development expenses for the first quarter of 2022 were \$8.334 million, compared to \$4.474 million in the first quarter of 2021.
- Sales, general, and administrative expenses for the first quarter of 2022 were \$15.521 million, compared to \$3.054 million in the first quarter of 2021.
- Net loss for the first quarter was \$23.775 million, equating to a net loss of \$0.34 per share, as compared to a net loss of \$7.794 million, or a net loss of \$4.86 per share, for the same period of the prior year.

Swoop Total Installed Base

	TOTAL INSTALLED UNITS						
	2020	2021				2022	Total
		Q1	Q2	Q3	Q4	Q1	
Commercial systems installations*	4	5	7	4	7	11	38
Grant fulfillment installations	—	2	2	4	10	2	20
	4	7	9	8	17	13	58
Research units	15	2	2	3	3	2	27
Total Installed Units	19	9	11	11	20	15	85

* The Swoop total installed base consists of three components: Commercial system installations (which make up total revenue), grant fulfillment installations, and research unit installations. The Swoop total installed base (or total installed units) is the number of Swoop devices deployed to hospitals, other healthcare providers, and research institutions. We view the total installed base as a key metric of the growth of our business and is measured from period over period.

2022 Financial Guidance

- Management expects revenue for the full year 2022 to be \$10 to \$12 million.
- Management expects 50 to 60 commercial units installed in 2022.

Conference Call

Hyperfine will host a conference call at 1:30 p.m. PST / 4:30 p.m. ET today to discuss its first quarter 2022 financial results and provide a business update. The call may be accessed through an operator by calling (888) 708-1168 for domestic callers or (630) 652-5889 for international callers, using conference ID 4080148. A live and archived audio webcast will be available through the Investors page of Hyperfine's corporate website at <https://investors.hyperfine.io/>.

About Hyperfine

Hyperfine, Inc. is the groundbreaking medical device company that created Swoop®, the world's first FDA-cleared portable MRI system™. Hyperfine designed Swoop to enable rapid diagnoses and treatment for every patient regardless of income, resources, or location, pushing the boundaries of conventional imaging technology and expanding patient access to life-saving care. The Swoop Portable MR Imaging System™ produces high-quality images at a lower magnetic field strength, allowing clinicians to quickly scan, diagnose, and treat patients in various clinical settings. Swoop can be wheeled directly to the patient's bedside, plugged into a standard electrical wall outlet, and controlled by an iPad®. Designed as a complementary system to conventional MRIs at a fraction of the cost, Swoop captures images in minutes, providing critical decision-making capabilities in emergency departments, operating rooms outside the sterile field, and intensive care units, among others.

Investor Contact

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Hyperfine’s actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, expectations about Hyperfine’s financial and operating results, the benefits of Hyperfine’s products and services, and Hyperfine’s future performance and its ability to implement its strategy. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of Hyperfine’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: the success, cost and timing of Hyperfine product development and commercialization activities, including the degree that Swoop is accepted and used by healthcare professionals; the impact of COVID-19 on Hyperfine’s business; the inability to maintain the listing of Hyperfine’s Class A common stock on the Nasdaq following the recently completed business combination; the inability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition and Hyperfine’s ability to grow and manage growth profitably and retain its key employees; changes in applicable laws or regulations; the inability of Hyperfine to raise financing in the future; the inability of Hyperfine to obtain and maintain regulatory clearance or approval for its products, and any related restrictions and limitations of any cleared or approved product; the inability of Hyperfine to identify, in-license or acquire additional technology; the inability of Hyperfine to maintain its existing or future license, manufacturing, supply and distribution agreements and to obtain adequate supply of its products; the inability of Hyperfine to compete with other companies currently marketing or engaged in the development of products and services that Hyperfine is currently marketing or developing; the size and growth potential of the markets for Hyperfine’s products and services, and its ability to serve those markets, either alone or in partnership with others; the pricing of Hyperfine’s products and services and reimbursement for medical procedures conducted using Hyperfine’s products and services; Hyperfine’s estimates regarding expenses, future revenue, capital requirements and needs for additional financing; Hyperfine’s financial performance; and other risks and uncertainties indicated from time to time in Hyperfine’s filings with the Securities and Exchange Commission, including those under “Risk Factors” therein. Hyperfine cautions readers that the foregoing list of factors is not exclusive and that readers should not place undue reliance upon any forward-looking statements, which speak only as of the date made. Hyperfine does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

HYPERFINE, INC. AND SUBSIDIARIES
CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 161,580	\$ 188,498
Restricted cash	1,983	2,662
Accounts receivable, net	1,944	553
Unbilled receivables	478	91
Inventory	4,538	4,310
Prepaid expenses and other current assets	3,205	1,357
Due from related parties	1	14
Total current assets	\$ 173,729	\$ 197,485
Property and equipment, net	3,877	3,753
Other long term assets	1,222	1,235
Total assets	\$ 178,828	\$ 202,473
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,745	\$ 2,248
Deferred grant funding	1,983	2,662
Deferred revenue	973	730
Due to related parties	97	1,981
Accrued expenses and other current liabilities	6,616	8,115
Total current liabilities	\$ 11,414	\$ 15,736
Long term deferred revenue	851	510
Total liabilities	\$ 12,265	\$ 16,246
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		

Class A Common stock, \$.0001 par value; 600,000,000 shares authorized; 55,277,061 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	5	5
Class B Common stock, \$.0001 par value; 27,000,000 shares authorized; 1 5,055,288 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	2	2
Additional paid-in capital	326,651	322,540
Accumulated deficit	(160,095)	(136,320)
Total stockholders' equity	\$ 166,563	\$ 186,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 178,828	\$ 202,473

HYPERFINE, INC. AND SUBSIDIARIES
CONDENSED COMBINED AND CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Sales		
Device	\$ 1,192	\$ 169
Service	317	162
Total sales	<u>\$ 1,509</u>	<u>\$ 331</u>
Cost of sales		
Device	\$ 1,037	\$ 548
Service	388	60
Total cost of sales	<u>\$ 1,425</u>	<u>\$ 608</u>
Gross margin	84	(277)
Operating Expenses:		
Research and development	\$ 8,334	\$ 4,474
General and administrative	11,360	1,858
Sales and marketing	4,161	1,196
Total operating expenses	23,855	7,528
Loss from operations	\$ (23,771)	\$ (7,805)
Interest income	\$ 1	\$ 5
Other income (expense), net	(5)	6
Loss before provision for income taxes	\$ (23,775)	\$ (7,794)
Provision for income taxes	—	—
Net loss and comprehensive loss	\$ (23,775)	\$ (7,794)
Net loss per common share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (4.86)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	70,332,349	1,602,732

HYPERFINE, INC. AND SUBSIDIARIES
CONDENSED COMBINED AND CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (23,775)	\$ (7,794)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	253	96
Stock-based compensation expense	4,111	267
Write-down of inventory	—	75
Payments received on net investment in lease	2	3
Changes in assets and liabilities:		
Accounts receivable	(1,391)	(467)

Unbilled receivables	(387)	(8)
Inventory	(228)	(672)
Prepaid expenses and other current assets	(1,848)	(326)
Due from related parties	13	882
Prepaid inventory	—	(16)
Other long term assets	11	(7)
Accounts payable	(565)	169
Deferred grant funding	(679)	—
Deferred revenue	584	600
Due to related parties	(1,884)	19
Accrued expenses and other current liabilities	(1,506)	(307)
Net cash used in operating activities	\$ (27,289)	\$ (7,486)
Cash flows from investing activities:		
Purchases of fixed assets	(308)	(170)
Net cash used in investing activities	\$ (308)	\$ (170)
Cash flows from financing activities:		
Proceeds from exercise of stock options	—	49
Proceeds from issuance of Series D convertible preferred stock	—	30,468
Stock issuance costs related to Series D convertible preferred stock	—	(7)
Investment from 4Bionics, LLC	—	700
Net cash provided by financing activities	\$ —	\$ 31,210
Net (decrease) increase in cash and cash equivalents and restricted cash	(27,597)	23,554
Cash, cash equivalents and restricted cash, beginning of period	191,160	64,286
Cash, cash equivalents and restricted cash, end of period	\$ 163,563	\$ 87,840
Reconciliation of cash, cash equivalents, and restricted cash reported in the statement of financial position		
Cash and cash equivalents	\$ 161,580	\$ 86,230
Restricted cash	1,983	1,610
Total cash, cash equivalents and restricted cash	\$ 163,563	\$ 87,840
Supplemental disclosure of cash flow information:		
Cash received from exchange of research and development tax credits	\$ —	\$ 324
Supplemental disclosure of noncash information:		
Noncash acquisition of fixed assets	\$ 62	\$ 58
Write-off of notes receivable	\$ 90	\$ —