

HYPERFINE

Hyperfine, Inc. Reports First Quarter 2024 Financial Results

May 13, 2024

GUILFORD, Conn., May 13, 2024 (GLOBE NEWSWIRE) -- Hyperfine, Inc. (Nasdaq: HYPR), the groundbreaking health technology company that has redefined brain imaging with the first FDA-cleared portable magnetic resonance (MR) brain imaging system—the Swoop® system—today announced first quarter 2024 financial results and provided a business update.

“We have kicked off 2024 strong. I am pleased with our commercial progress shown by sales across US and international accounts, as well as the important milestones we hit in Q1 by commencing CARE PMR study enrollment in Alzheimer’s and launching our 8th generation AI-powered software,” said Maria Sainz, Chief Executive Officer and President of Hyperfine, Inc. “Commercialization, Clinical Evidence, and Innovation remain our three value drivers. In Q1, we demonstrated that our team is capable of delivering on all three and doing so with strong spending discipline.”

Recent Achievements and Business Highlights

- Initiated enrollment of CARE PMR (Capturing ARIA Risk Equitably with Portable MR) study assessing the clinical utility of the Swoop® System to scan Alzheimer’s patients receiving amyloid-targeting therapy to detect ARIA.
- Exceeded 100 patients enrolled to date in ACTION PMR (ACuTe Ischemic strOke detectionN with Portable MR), an observational study assessing the use of portable brain imaging to identify strokes and salvageable brain tissue.
- Launched 8th generation AI-powered brain imaging software for enhanced image quality and ease-of-use.
- Appointed distributors in key EU markets to support expansion of commercial activity to international markets.
- Portable Swoop Brain MR accepted and featured prominently in key conferences with four abstracts at International Stroke Conference and 17 at International Society for Magnetic Resonance Medicine.

First Quarter 2024 Financial Results

- Revenues for the first quarter of 2024 were \$3.30 million, up 25%, compared to \$2.64 million in the first quarter of 2023.
- Hyperfine, Inc. sold 13 commercial Swoop® systems in the first quarter of 2024.
- Gross margin for the first quarter of 2024 was \$1.35 million, compared to \$1.16 million in the first quarter of 2023.
- Research and development expenses for the first quarter of 2024 were \$5.57 million, compared to \$5.46 million in the first quarter of 2023.
- Sales, marketing, general, and administrative expenses for the first quarter of 2024 were \$6.43 million, compared to \$8.73 million in the first quarter of 2023.
- Net loss for the first quarter of 2024 was \$9.85 million, equating to a net loss of \$0.14 per share, as compared to a net loss of \$12.16 million, or a net loss of \$0.17 per share, for the first quarter of 2023.

2024 Financial Guidance

- Management expects revenue for the full year 2024 to be \$12 to \$15 million.
- Management expects cash burn for the full year 2024 to be approximately \$40 million.

Conference Call

Hyperfine, Inc. will host a conference call at 1:30 p.m. PT/ 4:30 p.m. ET on Monday, May 13, 2024, to discuss its first quarter 2024 financial results and provide a business update. Those interested in listening should register online by visiting <https://investors.hyperfine.io/> and clicking on News & Events. Participants are encouraged to register more than 15 minutes before the start of the call. A live and archived audio webcast will be available through the Investors page of Hyperfine, Inc.’s corporate website at <https://investors.hyperfine.io/>.

About Hyperfine, Inc. and the Swoop® Portable MR Imaging® System

Hyperfine, Inc. (Nasdaq: HYPR) is the groundbreaking health technology company that has redefined brain imaging with the Swoop® system—the first FDA-cleared, portable, ultra-low-field, magnetic resonance brain imaging system capable of providing imaging at multiple points of care. The Swoop® system received initial U.S. Food and Drug Administration (FDA) clearance in 2020 as a portable magnetic resonance brain imaging device for producing images that display the internal structure of the head where a full diagnostic examination is not clinically practical. When interpreted by a trained physician, these images provide information that can be useful in determining a diagnosis. The Swoop® system has been approved for brain imaging in several countries, including Canada and Australia, has UKCA certification in the United Kingdom, CE certification in the European Union,

and is also available in New Zealand.

The mission of Hyperfine, Inc. is to revolutionize patient care globally through transformational, accessible, clinically relevant diagnostic imaging and data solutions. Founded by Dr. Jonathan Rothberg in a technology-based incubator called 4Catalyzer, Hyperfine, Inc. scientists, engineers, and physicists developed the Swoop® system out of a passion for redefining brain imaging methodology and how clinicians can apply accessible diagnostic imaging to patient care. Traditionally, access to costly, stationary, conventional MRI technology can be inconvenient or not available when needed most. With the portable, ultra-low-field Swoop® system, Hyperfine, Inc. is redefining the neuroimaging workflow by bringing brain imaging to the patient's bedside. For more information, visit hyperfine.io.

Hyperfine, Swoop, and Portable MR Imaging are registered trademarks of Hyperfine, Inc.

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. Actual results of Hyperfine, Inc. (the "Company") 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 the Company's financial and operating results, including, the Company's expected revenue and cash burn for the full year 2024, the Company's goals and commercial plans, the Company's stroke observational clinical study and Alzheimer's feasibility study, the benefits of the Company's products and services, and the Company'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 the Company'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 the Company's product development and commercialization activities, including the degree that the Swoop® system is accepted and used by healthcare professionals; the inability to maintain the listing of the Company's Class A common stock on the Nasdaq Stock Market LLC; the Company's inability to grow and manage growth profitably and retain its key employees; changes in applicable laws or regulations; the inability of the Company to raise financing in the future; the inability of the Company 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 the Company to identify, in-license or acquire additional technology; the inability of the Company to maintain its existing or future license, manufacturing, supply and distribution agreements and to obtain adequate supply of its products; the inability of the Company to compete with other companies currently marketing or engaged in the development of products and services that the Company is currently marketing or developing; the size and growth potential of the markets for the Company's products and services, and its ability to serve those markets, either alone or in partnership with others; the pricing of the Company's products and services and reimbursement for medical procedures conducted using the Company's products and services; the Company's inability to successfully complete and generate positive data from the ACTION PMR study and the CARE PMR study; the Company's estimates regarding expenses, revenue, capital requirements and needs for additional financing; the Company's financial performance; and other risks and uncertainties indicated from time to time in Company's filings with the Securities and Exchange Commission, including those under "Risk Factors" therein. The Company 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. The Company 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.

Investor Contact

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

| | March 31, 2024 | December 31, 2023 |
|---|---------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 63,204 | \$ 75,183 |
| Restricted cash | — | 621 |
| Accounts receivable, less allowance of \$248 and \$321 as of March 31, 2024 and December 31, 2023, respectively | 5,343 | 3,189 |
| Unbilled receivables | 895 | 942 |
| Inventory | 7,298 | 6,582 |
| Prepaid expenses and other current assets | 2,950 | 2,391 |
| Total current assets | 79,690 | 88,908 |
| Property and equipment, net | 3,706 | 2,999 |
| Other long term assets | 2,047 | 2,292 |
| Total assets | \$ 85,443 | \$ 94,199 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |

| | | | | |
|---|-----------|---------------|-----------|---------------|
| Accounts payable | \$ | 2,532 | \$ | 1,214 |
| Deferred grant funding | | — | | 621 |
| Deferred revenue | | 1,527 | | 1,453 |
| Due to related parties | | 45 | | 61 |
| Accrued expenses and other current liabilities | | 4,663 | | 5,419 |
| Total current liabilities | | 8,767 | | 8,768 |
| Long term deferred revenue | | 1,021 | | 968 |
| Other noncurrent liabilities | | 17 | | 64 |
| Total liabilities | | 9,805 | | 9,800 |
| COMMITMENTS AND CONTINGENCIES | | | | |
| STOCKHOLDERS' EQUITY | | | | |
| Class A Common stock, \$.0001 par value; 600,000,000 shares authorized; 56,952,666 and 56,840,949 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively | | 5 | | 5 |
| Class B Common stock, \$.0001 par value; 27,000,000 shares authorized; 15,055,288 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively | | 2 | | 2 |
| Additional paid-in capital | | 339,201 | | 338,114 |
| Accumulated deficit | | (263,570) | | (253,722) |
| Total stockholders' equity | | 75,638 | | 84,399 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ | 85,443 | \$ | 94,199 |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|--------------------|
| | 2024 | 2023 |
| Sales | | |
| Device | \$ 2,704 | \$ 2,132 |
| Service | 591 | 503 |
| Total sales | 3,295 | 2,635 |
| Cost of sales | | |
| Device | 1,499 | 1,071 |
| Service | 442 | 409 |
| Total cost of sales | 1,941 | 1,480 |
| Gross margin | 1,354 | 1,155 |
| Operating Expenses: | | |
| Research and development | 5,570 | 5,461 |
| General and administrative | 4,430 | 6,182 |
| Sales and marketing | 2,004 | 2,547 |
| Total operating expenses | 12,004 | 14,190 |
| Loss from operations | (10,650) | (13,035) |
| Interest income | 796 | 869 |
| Other income, net | 6 | 6 |
| Loss before provision for income taxes | (9,848) | (12,160) |
| Provision for income taxes | — | — |
| Net loss and comprehensive loss | \$ (9,848) | \$ (12,160) |
| Net loss per common share attributable to common stockholders, basic and diluted | \$ (0.14) | \$ (0.17) |
| Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted | 71,934,045 | 70,864,226 |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|-------------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net loss | \$ (9,848) | \$ (12,160) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 263 | 254 |
| Stock-based compensation expense | 1,032 | 1,126 |
| Payments received on net investment in lease | 34 | 2 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | (2,154) | (915) |
| Unbilled receivables | 47 | (259) |
| Inventory | (833) | (1,122) |
| Prepaid expenses and other current assets | (1,252) | 272 |
| Due from related parties | — | 48 |
| Prepaid inventory | 693 | 281 |
| Other long term assets | 200 | (18) |
| Accounts payable | 1,208 | 954 |
| Deferred grant funding | (621) | (58) |
| Deferred revenue | 127 | (125) |
| Due to related parties | (16) | 64 |
| Accrued expenses and other current liabilities | (1,392) | (1,835) |
| Operating lease liabilities, net | 2 | — |
| Net cash used in operating activities | (12,510) | (13,491) |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (145) | (61) |
| Net cash used in investing activities | (145) | (61) |
| Cash flows from financing activities: | | |
| Proceeds from exercise of stock options | 55 | 49 |
| Net cash provided by financing activities | 55 | 49 |
| Net decrease in cash and cash equivalents and restricted cash | (12,600) | (13,503) |
| Cash, cash equivalents and restricted cash, beginning of period | 75,804 | 118,243 |
| Cash, cash equivalents and restricted cash, end of period | 63,204 | 104,740 |
| Reconciliation of cash, cash equivalents, and restricted cash reported in the balance sheets | | |
| Cash and cash equivalents | 63,204 | 104,027 |
| Restricted cash | — | 713 |
| Total cash, cash equivalents and restricted cash | \$ 63,204 | \$ 104,740 |
| Supplemental disclosure of noncash information: | | |
| Unpaid purchase of property and equipment | \$ 742 | \$ 36 |

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Source: Hyperfine, Inc.