



# Year-end report

January–December 2021

sedana medical ab (publ)

*“Sales at an all-time-high  
provide a strong platform for  
launch”*

*Johannes Doll, President and CEO*

Q1 Q2 Q3 **Q4**

## Financial summary

### Fourth quarter 2021

- Net sales totalled MSEK 46 (46), equivalent to an increase of 1% compared to the fourth quarter of 2020. At constant exchange rates, sales increased by 2%.
- Gross profit was MSEK 33 (30), equivalent to a margin of 71% (64%). The improved margin is primarily an effect of lower transportation costs, a favourable country mix and timing effects.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -13 (-6), equivalent to an EBITDA margin of -29% (-13%).
- Operating income (EBIT) totalled MSEK -19 (-8), equivalent to an EBIT margin of -40% (-17%).
- Net profit for the quarter was MSEK -17 (-12), and earnings per share before and after dilution was SEK -0.18 (-0.13).
- Cash flow from operating activities totalled MSEK -2 (3).
- Cash flow from investing activities totalled MSEK -33 (-31).
- Total cash flow was MSEK 571 (-29).
- Cash and cash equivalents at the end of the quarter totalled MSEK 836, compared to MSEK 262 at the start of the quarter.

### January-December 2021

- Net sales for the full year totalled MSEK 159 (142), equivalent to an increase of 12%. At constant exchange rates, sales increased by 16%.
- Gross profit was MSEK 107 (89), equivalent to a margin of 67% (63%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -50 (-14), equivalent to an EBITDA margin of -31% (-10%).
- Operating income (EBIT) totalled MSEK -61 (-21), equivalent to an EBIT margin of -39% (-15%).
- Net profit for the year was MSEK -58 (-27), and earnings per share before and after dilution was SEK -0.62 (-0.30).
- Cash flow from operating activities totalled MSEK -41 (-8).
- Cash flow from investing activities totalled MSEK -110 (-85).
- Total cash flow was MSEK 454 (-87).
- Cash and cash equivalents at the end of the year totalled MSEK 836, compared to MSEK 376 at the start of the year.
- The Board of Directors proposes that no dividend be paid for the 2021 financial year.

Sales by area, rolling 12 months



Sedana Medical AB (publ) is a pioneer medtech and pharmaceutical company focused on inhaled sedation to improve the patient's life during and beyond sedation. Through the combined strengths of the medical device Sedaconda ACD and the pharmaceutical Sedaconda (isoflurane), Sedana Medical provides inhaled sedation for mechanically ventilated patients in intensive care. Sedana Medical was founded in 2005 and is listed on Nasdaq First North Growth Market. The company's head office is in Stockholm, Sweden.

## CEO comments

### ***Sales at an all-time-high provide a strong platform for launch***

**I am pleased to report another successful quarter for Sedana Medical. We have seen the highest sales in our history for both the quarter and the full year and made strong progress on both of our main priorities: to execute an excellent launch of Sedaconda (isoflurane) in Europe and to prepare for the important US market.**

Sales in the quarter totalled SEK 46 million, slightly above the fourth quarter 2020 when Covid-19 had led to very high demand. For the full year, we saw sales of SEK 159 million, which makes 2021 our best year to date. At the same time, we grew our gross margin in the quarter to 71 per cent which was driven by a shift of the sales mix towards higher-margin markets and the fact that we were able to ship almost all products by sea.

The strong sales performance puts us in an excellent starting position for the launch of Sedaconda (isoflurane). To date, we have received national approvals in 14 of the 15 EU countries that were included in the DCP approval in July 2021. Also during the quarter, we applied for market authorization in Italy, which means that we are expecting four more countries to approve Sedaconda (isoflurane) during 2022: the UK, Switzerland, Poland and Italy.

I am excited to report that the first bottles of Sedaconda (isoflurane) have been shipped to customers. Our main market Germany was the first country to launch. Depending on the speed of national pricing and reimbursement processes, we are looking forward to introducing the drug in more markets over the coming months. Assuming national approval in the UK, our aim is to launch Sedaconda (isoflurane) in all our major direct markets during this year. We are aiming at converting a significant share of today's off-label sales. The level and speed of this conversion will differ by country, and we are expecting a gradual sales ramp-up as hospitals will switch from generic volatile anaesthetics to Sedaconda (isoflurane) over time.

In the beginning of 2022, the National Institute for Health and Care Excellence (NICE) has issued positive guidance recommending Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care as an alternative to intravenous sedation. In their assessment, cost modelling shows cost savings compared with intravenous sedation of almost £4,000 per adult patient. This represents a major milestone for Sedana Medical as we have now received confirmation for significant health-economic benefits on top of the convincing clinical benefits we have seen in our clinical trial SED-001.

With regards to our largest potential market, the United States, we took the important strategic decision to build up our own commercial operations to launch the Sedaconda products. On the back of this decision, we successfully completed a directed share issue and raised SEK 615 million, which gives us the financial strength to implement our ambitious US strategy. We were able to close the share issue at no discount and are pleased with the quality and long-term orientation of the participating investors. I would like to take this opportunity to thank our new and existing shareholders for their support and trust in Sedana Medical.

In December, the FDA approved our Investigational New Drug (IND) application, which allows us to initiate phase III pivotal clinical trials in the United States. We are planning for the first patients to enter the clinic in early Q2 this year.

Outside our main markets, we obtained market approval for our medical device Sedaconda ACD in Argentina and Turkey. With 8.000 and 10.000 ICU beds respectively, both represent attractive commercial opportunities. With the Argentinean approval and the ongoing approval process in Brazil, we are further strengthening our presence in Latin America, where interest in our therapy has been very high and we have seen good traction.

In December, our partner Kyuan Xinhai Medical has submitted Sedaconda ACD for approval in China and continues to be in close dialogue with the Chinese FDA. Kyuan is a subsidiary of partly state-owned Shanghai Pharma, one of the largest life science companies in China.

On the supply side, we have made progress with our dual sourcing project as we started producing our Sedaconda syringes at a contract manufacturer in the European Union. We are aiming to add a second source for more products including our main device Sedaconda ACD during the year.

We have ended an eventful and successful year 2021 in a position of strength, laying a solid foundation for future success. I look forward to getting back to you on our progress.

***Johannes Doll, President and CEO***



## Significant events during the period

- In January and February, applications for market approval for the drug candidate Sedaconda (isoflurane) for inhaled sedation in intensive care were submitted in Switzerland and the United Kingdom.
- In February, the first patient was included in the company's paediatric study IsoCOMFORT (SED002), which is being conducted to study whether inhaled sedation with Sedaconda (isoflurane) delivered via Sedaconda ACD is a safe and more effective method of sedation than intravenously administered midazolam, for children below 18 years of age.
- In June, the pivotal phase III Sedaconda study (SED001) was selected as one of the top three posters at the 52nd DGIIN & ÖGIAIN Intensive Care Conference.
- In early July, Sedana Medical's Quality Management System (QMS) received approval under the EU Medical Device Regulation (MDR) 2017/745. This approval means that Sedana Medical's Class I medical devices can continue to be sold with CE marking in the EU.
- In July, a successful End of Phase II advisory meeting was completed with the US Food and Drug Administration (FDA). The FDA accepted Sedana Medical's proposed phase III programme, including the study design and the primary endpoint for the studies. The positive outcome allows the company to enter phase III in line with the communicated timeline.
- In July, a positive outcome was obtained for the application for European marketing authorisation for the pharmaceutical product Sedaconda (isoflurane) for inhaled sedation in intensive care, known as DCP approval. Sedaconda is indicated for sedation of mechanically ventilated adult intensive care patients and is to be delivered only via the Sedaconda ACD medical device.
- In August, the results of the company's pivotal study Sedaconda (SED001) were published in the highly respected scientific journal The Lancet Respiratory Medicine.
- At the end of September, market approval was obtained for Sedaconda (isoflurane) in Germany. The application was approved by the German regulatory authority BfArM and is based on the DCP approval obtained by Sedana Medical in July.
- After being appointed by the Board in May, Johannes Doll took office as the new President and CEO of Sedana Medical on 1 October 2021.
- In December, a directed new share issue was made which contributed MSEK 615 to the company.
- In December, an application was submitted for market approval for Sedaconda (isoflurane) for inhaled sedation in intensive care in Italy.
- In December, Investigational New Drug (IND) approval was received from the US Food and Drug Administration (FDA) to enable pivotal phase III studies with the Sedaconda devices to begin in the United States.
- In December, Sedana Medical's Chinese partner Kyuan Xinhai Medical has submitted Sedaconda ACD for approval in China to the Chinese FDA.

## Significant events after the period

- In January, Johan Spetz was appointed as the new CFO. Johan Spetz succeeds Susanne Andersson, who leaves the position to take up other duties.
- In January, the National Institute for Health and Care Excellence (NICE) issued positive guidance recommending Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care as an alternative to intravenous sedation.
- In February the first bottles of Sedaconda (isoflurane) were delivered to customers in Germany, the company's largest market.

## Financial targets

The company's target is to achieve revenue in excess of SEK 500 million three years after approval of Sedaconda (isoflurane) in Europe. In relation to the decision to build own commercial operations in the United States, the previous EBITDA target of 40 percent was kept, but moved to when the company has reached a steady state in the US.

## Impact of Covid-19

Sedana Medical noted a sharp increase in demand during 2020, as a consequence of Covid-19. Similar effects were seen in some geographies also in 2021, particularly in the market segment of distributor markets, mainly in Latin America. In general, the impact from Covid-19 was lower in 2021 than 2020 as a consequence of increasing vaccination levels, milder virus variants and health care staff getting more comfortable with non-invasive inhalation. There continues to be uncertainty over the future development of the Covid-19 pandemic in general around the world. The impact of Covid-19 on Sedana Medical includes potentially higher numbers of ventilated patients in the ICU, but also more restricted access to (especially new) hospital customers. Consequently, there may be short-term impact on sales in individual quarters, but the long-term potential of Sedana Medical's products is not dependent on Covid-19.

## Business update

### Ready for Sedaconda® (isoflurane) launch in Europe

The European registration of Sedana Medical's first pharmaceutical product, Sedaconda (isoflurane) represents an important milestone on the company's journey to make inhaled sedation a global standard therapy. In the countries where Sedaconda (isoflurane) is approved, Sedana Medical can offer the full therapy for inhaled sedation of mechanically ventilated patients in intensive care units (ICUs), consisting of the medical device Sedaconda ACD (previously known as AnaConDa), the volatile anaesthetic Sedaconda (isoflurane), as well as several accessories. For hospitals in Europe, Sedaconda is the first and only on-label option for inhaled sedation in ICUs.

In July 2021 and hence ahead of the anticipated timing, Sedana Medical received a positive response to the application for European registration through the decentralized procedure, allowing the company to apply for national approval in 15 European countries. To date, Sedana Medical has received national approval in 14 of these countries: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Portugal, Slovenia, Spain and Sweden. National approval in Poland is expected in the coming months.

During the quarter, a marketing application has been submitted in Italy. In 2022, the company therefore expects national approvals in four markets: the UK, Switzerland, Poland and Italy.

Sedaconda (isoflurane) is now available in the first launch market Germany and the first bottles have been shipped to customers in the first quarter of 2022. Launch timings in the other markets vary, depending on the supply schedule and the speed of local pricing and reimbursement processes that are required in some countries.

Assuming national approval in the UK, the company aims to launch Sedaconda (isoflurane) in all our major direct markets during this year

Sedana Medical is confident that a significant share of today's off-label volatile anaesthetics can be converted to Sedaconda (isoflurane) over time. The level and speed of conversion is expected to differ by country and the company expects a gradual sales ramp-up as hospitals will switch from off-label to on-label over time.

In preparation for launch, the company has expanded the field teams in all direct markets including Germany, France, Spain, UK, Benelux and the Nordics. Customer-facing personnel have been intensively trained and have obtained the necessary qualifications as pharmaceutical sales representatives. Most Sedana Medical's field teams have extensive work experience in intensive care units in their respective countries.

In January, the National Institute for Health and Care Excellence (NICE) has issued positive guidance recommending Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care as an alternative to intravenous sedation. Sedaconda ACD is recommended as an option for delivering inhaled sedation in intensive care in England and Wales when volatile anaesthetics are being considered. Cost modelling shows cost savings compared with intravenous sedation of almost £4,000 per adult patient (30-day time horizon for adult patients needing mechanical ventilation for 24 hours or longer in intensive care). This recommendation is based on clinical evidence comprising 21 studies and is supported by the economic model submitted to NICE, which demonstrated cost-savings.

### Preparations for the important US market

With 107,000 intensive care beds and significantly higher price levels of intravenous sedation than in Europe, the US represents the highest-potential market for Sedana Medical.

To obtain market approval in the US, Sedana Medical is required by the US Food and Drug Administration (FDA) to conduct two randomised double-blind clinical studies to confirm and ensure efficacy and safety. The number of patients needed for both studies together is around 500 patients and the company aims to include approximately 30 clinics in the two studies. Sedana Medical received Investigational New Drug (IND) clearance from the FDA in December 2021 and is aiming to include the first patients in the studies at the turn of the quarter Q1/Q2 2022, with the objective of obtaining market approval before the end of 2024.

During the autumn, the company assessed alternative go-to-market options and took the strategic decision to build own commercial operations in the United States to best capture the market potential. To ensure that Sedana Medical has the financial strength and flexibility required to prepare for a commercial launch in the US market, the company successfully raised approximately SEK 615 million before transaction-related costs in a directed share issue in December 2021.

### Increasing interest in other geographies

While Sedana Medical sees the highest market potential for inhaled sedation in intensive care in the United States and Europe, there has been a clear increase in interest in the medical device Sedaconda ACD in other regions as well. Outside the markets where Sedana Medical has established its own presence, partnerships are in place with distributors in Europe, Asia, South America, Australia/New Zealand and the Middle East. Markets are being assessed on a continuous basis, where market potential, accessibility of the market and investments required justify aiming at a registration of the device and/or the drug.

During the quarter, Sedana Medical received approval for the medical device Sedaconda ACD in Argentina and Turkey. An application for approval of Sedaconda ACD in China was filed by Sedana Medical's local partner Kyuan Xinhai Medical, a subsidiary of partly state-owned Shanghai Pharma, one of the largest life science company in China. Sedaconda ACD was also submitted for approval in Brazil, with is one of the major potential markets in South America with 26.000 ICU beds.

## Setting up dual sourcing

Sedana Medical has embarked on a project to establish second source suppliers for several products in order to decrease dependency on individual contract manufacturers and to reduce risks related to shipping products from Asia. During the quarter, production of the Sedaconda syringes has started at a production site in the European Union. The company expects to establish dual sourcing for several products including the main device Sedaconda ACD during 2022.

## Financial summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	46,365	45,997	159,152	141,770
Gross profit	32,789	29,533	106,706	88,903
Gross margin %	71%	64%	67%	63%
EBITDA	-13,489	-5,754	-50,093	-14,294
EBITDA margin %	-29%	-13%	-31%	-10%
Operating income (EBIT)	-18,683	-7,871	-61,493	-21,359
Operating margin %	-40%	-17%	-39%	-15%
Income after net financial items	-17,111	-10,706	-57,371	-24,103
Net income	-16,793	-11,819	-57,966	-27,138
Net income margin %	-36%	-26%	-36%	-19%
Total assets	1,167,580	600,097	1,167,580	600,097
Equity	1,101,456	551,094	1,101,456	551,094
Equity ratio %	94%	92%	94%	92%
Quick ratio %	1414%	929%	1414%	929%
Debt to equity ratio %	6%	9%	6%	9%
Average number of full time employees for the period	83	65	73	55
Number of employees at balance date	90	69	90	69
Number of employees and consultants at balance date	107	83	107	83
Average number of shares before dilution <sup>1)</sup>	94,518,482	92,186,960	92,774,631	91,556,662
Average number of shares after dilution <sup>1)</sup>	94,713,698	92,585,780	92,964,711	92,564,540
Number of shares at balance date before dilution <sup>1)</sup>	99,336,960	92,186,960	99,336,960	92,186,960
Number of shares at balance date after dilution <sup>1)</sup>	99,548,704	92,585,780	99,548,704	92,585,780
Earnings per share before dilution, SEK	-0.18	-0.13	-0.62	-0.30
Earnings per share after dilution, SEK	-0.18	-0.13	-0.62	-0.30

<sup>1)</sup> Comparative periods have been adjusted for the share split that was carried out in May 2021

## Group performance

### Net sales

Net sales for the fourth quarter amounted to KSEK 46,365 (45,997), corresponding to an increase of 1 percent. Adjusted for currency effects, the quarter showed an increase of 2 percent.

The majority of Group sales are in Europe, mainly in Germany, which also was the largest contributor to the sales increase in the quarter. In other direct markets in Europe, we have seen an increase in the use of our therapy compared to the previous year, mainly in the United Kingdom and France. This increase has been offset by lower sales in other markets within our other direct markets compared to the high levels in Q4, 2020. Regarding distributor markets, we had a sharp increase in sales in the fourth quarter of 2020, which was partly driven by propofol shortages in some of our distributor markets. This means that we now see a decrease from last year's high levels as sales in 2021 were more evenly distributed over the year.

Net sales for the full year amounted to KSEK 159,152 (141,770), which corresponds to an increase of 12 percent. Adjusted for currency effects, the increase was 16 percent. Sales in Germany contributed with 5 percent growth. The other direct markets showed a decrease of 13 percent from the previous year. This is due to the fact that the first two quarters of 2021 were negatively affected by significant Covid-19-driven stock-building in 2020 and consequently less and lower orders in the first half of 2021. Now that the situation has normalized, we are seeing good momentum in most of our direct markets.

In our distributor markets, we have mainly seen an increase in Latin America with Mexico as our second largest market during the year.

(KSEK)	Oct-Dec			Jan-Dec		
	2021	2020	%	2021	2020	%
Germany	34,540	31,303	10%	108,699	103,058	5%
Other direct sales	6,635	6,720	-1%	19,062	22,004	-13%
Distributor markets	5,190	7,974	-35%	31,391	16,708	88%
<b>Total net sales</b>	<b>46,365</b>	<b>45,997</b>	<b>1%</b>	<b>159,152</b>	<b>141,770</b>	<b>12%</b>

### Gross profit and margin

Gross profit for the fourth quarter amounted to KSEK 32,789 (29,533), corresponding to a gross margin of 71 (64) percent. The increase is mainly an effect of a positive market mix where markets with higher gross margins had a

relatively higher share of the quarter's sales. Lower shipping costs due to more sea freight also contributed positively to the gross margin.

For the full year, gross profit amounted to KSEK 106,706 (88,903), corresponding to a gross margin of 67 (63) percent. The increase is mainly due to lower shipping costs, which was partly offset by a negative country mix effect for the full year with increased sales in some distributor markets with slightly lower margins.

### **Selling expenses**

Selling expenses for the quarter amounted to KSEK -29,756 (-24,277), equivalent to an increase of 23 percent. The increase is partly due to continued higher costs related to the pre-launch activities of Sedaconda (isoflurane), a larger commercial and market organization and a higher level of activity as certain trade fairs and conferences have resumed. The higher costs are also a result of commenced depreciation regarding the EU registration project of approximately MSEK 3 in the quarter.

For the full year, selling expenses amounted to KSEK -96,573 (-65,123), which corresponds to an increase of 48 percent. The increase is primarily due to the larger commercial organization and a higher level of activity.

### **Administrative expenses**

Administrative expenses for the quarter amounted to KSEK -15,896 (-11,399), which corresponds to an increase of 39 percent. The higher costs are partly related to a general growth within the company but also to some extent overlaps in certain positions during the quarter.

For the full year, administrative expenses amounted to KSEK -51,736 (-37,296), which corresponds to an increase of 39 percent. The increase is a result of the general growth within the company and an expansion of office premises with associated equipment.

### **Research and development expenses**

Research and development expenses for the quarter amounted to KSEK -6,021 (-2,257), which corresponds to an increase of 167 percent. The increase is mainly an effect of a lower degree of capitalization attributable to the initial scale up of the organization and a slightly larger R&D organization compared to the previous year.

For the full year, research and development costs amounted to KSEK -19,704 (-7,859), which corresponds to an increase of 151 percent. Expenses related to approval according to the EU Medical Device Regulation (MDR), an approval which means that Sedana Medical's medical device accessories can continue to be sold with CE marking within the EU, amounted to MSEK 1.2. In addition to these, the increase is due to higher activity in clinical studies, an expanded R&D organization compared to 2020 and a scale up of QA.

### **Other operating income/expenses**

Other operating income mainly consists of positive unrealised exchange rate differences on operating items. These totalled KSEK 900 (1,809) for the quarter. Other operating income for the full year totalled SEK 4,013 (3,654).

Other operating expenses mainly consist of negative unrealised exchange rate differences on operating items. These totalled KSEK -699 (-1,280) for the quarter. Other operating expenses for the full year totalled SEK -4,199 (-3,637).

### **Net financial items and earnings per share**

Net financial items for the quarter totalled KSEK 1,572 (-2,835) and consist mainly of unrealised gain/loss on foreign exchange. Net financial items for the full year totalled KSEK 4,122 (-2,745).

Group tax expense for the quarter was KSEK +318 (-1,113) and mainly consists of an adjustment relating to current tax in Germany. Group tax expense for the full year was KSEK -595 (-3,035).

Consequently, earnings per share amounted to SEK -0.18 (-0.13) for the quarter and SEK -0.62 (-0.30) for the full year.

## **Equity and debt**

Adjusted for the share split made in May 2021 and including the new share issue made in December 2021, equity at 31 December was KSEK 1,101,456, compared to KSEK 551,094 at the beginning of the year, equivalent to SEK 11.09 (5.98) per share. Equity/assets ratio was 94 percent, compared to 92 percent at the start of the year. Debt/equity ratio at 31 December was 6 percent, compared to 9 percent at the start of the year. The Group had no long-term debt at 31 December.

## **Cash and cash position**

Cash and cash equivalents rose by KSEK 574,676 during the quarter and at 31 December totalled KSEK 836,181, compared to KSEK 261,505 at the beginning of the quarter. Cash flow from operating activities before changes in working capital for the quarter was KSEK -16,252 (-2,096). Cash flow from changes in working capital totalled KSEK 14,687 (4,856), which was positively impacted during the quarter by increased current liabilities. Cash flow from operating activities thus totalled KSEK -1,565 (2,760).



Cash flow from investing activities totalled KSEK -33,384 (-30,635). The investments mostly consist of intangible assets, mainly development expenses for clinical studies, work on registration of Sedaconda ACD and Sedaconda (isoflurane) in the United States and investments related to the company's paediatric study IsoCOMFORT (SED002).

Cash flow from financing activities totalled KSEK 605,890 (-737) and mainly relates to receipts from the new share issue made in December and amortisation of lease liabilities.

Cash flow per share for the quarter was SEK 6.04 (-0.30).

Cash and cash equivalents rose by KSEK 460,010 for the year, and at 31 December totalled KSEK 836,181, compared to KSEK 376,171 at the beginning of the year. Cash flow from operating activities before changes in working capital for the year was KSEK -52,809 (-8,279). Cash flow from changes in working capital totalled KSEK 11,588 (433), which was positively impacted by increased current liabilities. Cash flow from operating activities thus totalled KSEK -41,221 (-7,846).

Cash flow from investing activities totalled KSEK -110,255 (-84,619). The investments mostly consist of intangible assets, principally development expenses for clinical studies, work on registration of Sedaconda ACD and Sedaconda (isoflurane) in the United States, as well as investments related to the paediatric study in the EU (SED002).

Cash flow from financing activities totalled KSEK 605,071 (5,787) and mainly relates to receipts from the new share issue made in December, premiums paid for warrants in a new programme 2020/2024 and amortisation of lease liabilities.

Cash flow per share for the year was SEK 4.89 (-0.93).

## Parent company

The Parent Company's net sales for the full year totalled KSEK 159,107 (121,238), of which intra-group sales totalled KSEK 6,602 (31,602). The increase compared to the same period of the previous year is due to the Parent Company having taken over the greater part of sales in the Group with effect from the third quarter of 2020.

Operating income for the full year totalled KSEK -55,161 (-27,577). Net financial items were KSEK -8,467 (1,181) and relate mainly to a write-down of an intra-group receivable as a result of the restructuring of the group that was made at the end of 2020 but consist also of unrealised exchange gains on internal loans.

Shareholders' equity in the Parent Company totalled KSEK 1,106,528 at 31 December 2021, compared to KSEK 561,600 at the beginning of the year, equivalent to an increase of KSEK 544,928. Share capital totalled KSEK 2,483, compared to KSEK 2,305 at the start of the year. The increase in shareholders' equity is mainly attributable to the new share issue made in December 2021.

Cash and cash equivalents totalled KSEK 816,279, compared to KSEK 365,113 at the start of the year.

## The Sedana Medical share

Sedana Medical shares have been listed on Nasdaq First North Growth Market Stockholm since June 2017. Market capitalisation at the end of the fourth quarter was SEK 9,740 million.

The price paid for Sedana Medical shares, adjusted for the split made, was SEK 85.75 at the start of the year and SEK 98.05 at the end of the fourth quarter. The lowest closing price for the interim period was recorded on 20 July and was SEK 66.70. The highest closing price was recorded on 3 September and was SEK 107.10.

### Share information

	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net income, KSEK	-16,793	-11,819	-57,966	-27,138
Cash flow, KSEK	570,941	-28,612	453,595	-86,678
Number of shares at balance date	99,336,960	92,186,960	99,336,960	92,186,960
Average number of shares	94,518,482	92,186,960	92,774,631	91,556,662
Outstanding warrants at balance date	513,368	398,820	513,368	398,820
Average number of warrants	530,320	398,820	456,094	997,878
Share capital at balance date, KSEK	2,483	2,305	2,483	2,305
Equity at balance date, KSEK	1,101,856	551,094	1,101,856	551,094
Earnings per share before dilution, SEK	-0.18	-0.13	-0.62	-0.30
Earnings per share after dilution, SEK	-0.18	-0.13	-0.62	-0.30
Equity per share, SEK	11.09	5.98	11.09	5.98
Cash flow per share, SEK	6.04	-0.31	4.89	-0.95

### Largest shareholders at the end of the period

	No of shares	Share
Swedbank Robur Funds	9,329,589	9.4%
Handelsbanken Funds	9,087,712	9.1%
Linc AB	8,064,804	8.1%
Anders Walldov direct and indirect (Brohuvudet AB)	7,662,018	7.7%
Ola Magnusson direct and indirect (Magiola AB)	4,572,098	4.6%
Sten Gibeck	4,279,776	4.3%
Öhman Funds	4,087,019	4.1%
AMF Pension	3,870,000	3.9%
Berenberg Funds	1,905,101	1.9%
Avanza Pension	1,867,828	1.9%
Nordnet Pensionsförsäkring	1,803,870	1.8%
Tredje AP-fund	1,735,989	1.7%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Highclere International Investors LLP	1,492,630	1.5%
DNCA Finance S.A	1,379,980	1.4%
Fifteen largest shareholders	62,804,878	63.2%
Others	36,532,082	36.8%
<b>Total</b>	<b>99,336,960</b>	<b>100.0%</b>

### Facts about the share

Trading  
Nasdaq First North Growth Market  
Sweden

No of shares as per Dec 31, 2021  
99,336,960

Market cap  
SEK 9,740 million

Ticker  
SEDANA

ISIN  
SE0015988373

LEI-code  
549300FQ3NJRI56LCX32

## Certification from the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that this year-end report presents a true and fair view of the operations, financial position and earnings of the parent company and the Group and describes material risks and uncertainties faced by the parent company and the companies forming part of the Group.

Danderyd 17 February 2022

Thomas Eklund  
Chairman of the Board

Claus Bjerre  
Board member

Bengt Julander  
Board member

Ola Magnusson  
Board member

Eva Walde  
Board member

Christoffer Rosenblad  
Board member

Johannes Doll  
President and CEO

This year-end report has not been subject to review by the company's auditors.

This document has been prepared in Swedish and English versions. In the event of any discrepancies between the Swedish and English versions, the Swedish version will take precedence.

## Contacts and invitation to presentation

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Sedana Medical is listed on Nasdaq First North Growth Market in Stockholm.  
The company's Certified Adviser is Erik Penser Bank, +46 8 463 83 00, [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se)

## Presentation of the year-end report 2021

Sedana Medical presents the interim report to investors, asset managers, analysts and media on 17 February 2022 at 13.30. The presentation will be held in English and takes place via telephone conference and audio webcast. More information is available at: [Sedana Medical, Audiocast with teleconference, Q4, 2021 | Financial Hearings](#)

After the presentation, a recorded version of the webcast will be available at: [Investors - Sedana Medical](#)

## Annual report and Annual general meeting

Sedana Medical's annual report will be available on the company's website, [www.sedanamedical.com](http://www.sedanamedical.com), from 7 April 2022. The annual general meeting will be held on Wednesday 11 May 2022.

## Dividend

The Board of directors proposes that no dividend is paid for the 2021 financial year.

## Financial calendar

Annual report 2021	7 April 2022
Interim report Jan-Mar, 2022	28 April 2022
Annual general meeting	11 May 2022
Interim report Jan-Jun, 2022	21 July 2022
Interim report Jan-Sep, 2022	25 October 2022

## Consolidated income statement, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	46,365	45,997	159,152	141,770
Cost of goods sold	-13,576	-16,464	-52,446	-52,867
<b>Gross profit</b>	<b>32,789</b>	<b>29,533</b>	<b>106,706</b>	<b>88,903</b>
Selling expenses	-29,756	-24,277	-96,573	-65,123
Administrative expenses	-15,896	-11,399	-51,736	-37,296
Research and development expenses	-6,021	-2,257	-19,704	-7,859
Other operating income	900	1,809	4,013	3,654
Other operating expenses	-699	-1,280	-4,199	-3,637
<b>Operating income</b>	<b>-18,683</b>	<b>-7,871</b>	<b>-61,493</b>	<b>-21,359</b>
<b>Financial items</b>				
Financial income	8,034	30	11,285	2,845
Financial expenses	-6,462	-2,865	-7,163	-5,590
<b>Net financial items</b>	<b>1,572</b>	<b>-2,835</b>	<b>4,122</b>	<b>-2,745</b>
<b>Income before taxes</b>	<b>-17,111</b>	<b>-10,706</b>	<b>-57,371</b>	<b>-24,103</b>
Tax	318	-1,113	-595	-3,035
<b>Net income</b>	<b>-16,793</b>	<b>-11,819</b>	<b>-57,966</b>	<b>-27,138</b>
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:				
Before dilution	-0.18	-0.13	-0.62	-0.30
After dilution	-0.18	-0.13	-0.62	-0.30
<b>EBITDA</b>	<b>-13,489</b>	<b>-5,754</b>	<b>-50,093</b>	<b>-14,294</b>
Amortisation of intangible assets	-3,440	-431	-4,720	-1,756
Depreciation of tangible assets	-1,754	-1,686	-6,680	-5,309
<b>Operating income (EBIT)</b>	<b>-18,683</b>	<b>-7,871</b>	<b>-61,493</b>	<b>-21,359</b>

## Consolidated statement of other comprehensive income, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Net income</b>	<b>-16,793</b>	<b>-11,819</b>	<b>-57,966</b>	<b>-27,138</b>
<b>Other comprehensive income</b>				
<b>Items that can later be reclassified to the income statement:</b>				
Translation differences from foreign operations	-65	546	-322	623
<b>Other comprehensive income, net after tax</b>	<b>-65</b>	<b>546</b>	<b>-322</b>	<b>623</b>
<b>Total comprehensive income</b>	<b>-16,858</b>	<b>-11,273</b>	<b>-58,288</b>	<b>-26,515</b>
<b>Total comprehensive income as a whole attributable to the parent company's shareholders</b>	<b>-16,858</b>	<b>-11,273</b>	<b>-58,288</b>	<b>-26,515</b>

## Consolidated balance sheet, summary

(KSEK)	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
<b>Intangible assets</b>		
Capitalised development expenditure	268,201	166,378
Concessions, patents, licenses, etc.	1,786	2,998
<b>Tangible assets</b>		
Machinery and other technical facilities	1,309	5,711
Equipment, tools and installations	6,154	1,213
Rights of use	9,324	8,792
<b>Financial assets</b>		
Other long-term assets	42	41
<b>Deferred tax assets</b>		
	<b>23</b>	<b>45</b>
<b>Total fixed assets</b>		
	<b>286,839</b>	<b>185,178</b>
Inventory	11,093	9,087
Tax receivables	410	453
Accounts receivable	20,345	19,484
Prepayments and accrued income	7,115	5,609
Other receivables	5,597	4,115
Cash and cash equivalents	836,181	376,171
<b>Total current assets</b>		
	<b>880,741</b>	<b>414,919</b>
<b>TOTAL ASSETS</b>		
	<b>1,167,580</b>	<b>600,097</b>

(KSEK)	Dec 31, 2021	Dec 31, 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,483	2,305
Other contributed capital	1,222,395	613,923
Translation difference	184	506
Retained earnings including net profit	-123,606	-65,640
<b>Equity attributable to the parent company's shareholders</b>		
	<b>1,101,456</b>	<b>551,094</b>
<b>Non-current liabilities</b>		
Leasing liabilities	4,642	5,324
<b>Total non-current liabilities</b>		
	<b>4,642</b>	<b>5,324</b>
<b>Current liabilities</b>		
Leasing liabilities	4,232	2,967
Accounts payable	15,036	16,371
Tax debt	3,997	2,718
Other liabilities	18,473	7,668
Accrued expenses and deferred income	19,744	13,955
<b>Total current liabilities</b>		
	<b>61,482</b>	<b>43,679</b>
<b>Total liabilities</b>		
	<b>66,124</b>	<b>49,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>1,167,580</b>	<b>600,097</b>

## Consolidated statement of changes in equity, summary

Equity attributable to parent company shareholders

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings including net profit	Total
<b>Opening equity at Jan 1, 2020</b>	<b>2,274</b>	<b>605,702</b>	<b>-117</b>	<b>-38,502</b>	<b>569,357</b>
Net income	-	-	-	-27,138	-27,138
Other comprehensive income	-	-	623	-	623
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>-27,138</b>	<b>-26,515</b>
<b>Transactions with the Group's owners</b>					
New share issue	31	7,831	-	-	7,862
Issue expenses	-	-68	-	-	-68
Received premium for warrant subscription	-	515	-	-	515
Expenses for warrant program	-	-57	-	-	-57
<b>Total transactions with the Group's owners</b>	<b>31</b>	<b>8,221</b>	<b>-</b>	<b>-</b>	<b>8,252</b>
<b>Closing equity at Dec 31, 2020</b>	<b>2,305</b>	<b>613,923</b>	<b>506</b>	<b>-65,640</b>	<b>551,094</b>

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings including net profit	Total
<b>Opening equity at Jan 1, 2021</b>	<b>2,305</b>	<b>613,923</b>	<b>506</b>	<b>-65,640</b>	<b>551,094</b>
Net income	-	-	-	-57,966	-57,966
Other comprehensive income	-	-	-322	-	-322
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-322</b>	<b>-57,966</b>	<b>-58,288</b>
<b>Transactions with the Group's owners</b>					
New share issue	178	614,722	-	-	614,900
Issue expenses	-	-7,946	-	-	-7,946
Received premium for warrant subscription	-	1,760	-	-	1,760
Repurchase of warrants	-	-64	-	-	-64
<b>Total transactions with the Group's owners</b>	<b>178</b>	<b>608,472</b>	<b>-</b>	<b>-</b>	<b>608,650</b>
<b>Closing equity at Dec 31, 2021</b>	<b>2,483</b>	<b>1,222,395</b>	<b>184</b>	<b>-123,606</b>	<b>1,101,456</b>

## Consolidated cash flow statement, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Operating activities</b>				
Operating income	-18,683	-7,871	-61,493	-21,359
<i>Adjustments for non-cash items</i>				
Depreciations and amortisations	5,194	2,117	11,400	7,065
Exchange rate differences	-2,486	-663	-4,080	-363
Other non-cash items	36	4,314	1,927	7,411
Interest received	0	-24	0	25
Interest paid	-65	-36	-243	-189
Taxes paid	-248	67	-320	-869
<b>Cash flow from operating activities before changes in working capital</b>	<b>-16,252</b>	<b>-2,096</b>	<b>-52,809</b>	<b>-8,279</b>
<i>Cash flow from changes in working capital</i>				
Cash flow from inventories	982	3,471	-2,296	-1,158
Cash flow from operating receivables	-4,058	-8,691	-2,169	-15,292
Cash flow from operating liabilities	17,763	10,076	16,053	16,883
<b>Cash flow from operating activities</b>	<b>-1,565</b>	<b>2,760</b>	<b>-41,221</b>	<b>-7,846</b>
<b>Investing activities</b>				
Investments in intangible assets	-32,379	-25,223	-105,063	-72,175
Investments in tangible assets	-1,005	-5,412	-5,192	-12,444
<b>Cash flow from investing activities</b>	<b>-33,384</b>	<b>-30,635</b>	<b>-110,255</b>	<b>-84,619</b>
<b>Financing activities</b>				
New share issue	614,900	0	614,900	7,862
Issue expenses	-7,946	0	-7,946	-68
Amortisation of leasing liabilities	-1,000	-737	-3,579	-2,464
Received premium for warrant subscription	-64	0	1,696	515
Expenses for warrant program	0	0	0	-58
<b>Cash flow from financing activities</b>	<b>605,890</b>	<b>-737</b>	<b>605,071</b>	<b>5,787</b>
<b>Cash flow for the period</b>	<b>570,941</b>	<b>-28,612</b>	<b>453,595</b>	<b>-86,678</b>
Cash and cash equivalents at the beginning of the period	261,505	406,346	376,171	464,560
Translation difference	3,735	-1,562	6,415	-1,711
Cash and cash equivalents at the end of the period	<b>836,181</b>	<b>376,172</b>	<b>836,181</b>	<b>376,171</b>

## Consolidated quarterly summary, income statement

(KSEK)	2020				2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Net sales	33,832	40,509	21,432	45,997	45,000	39,510	28,277	46,365
Cost of goods sold	-11,193	-14,524	-8,210	-16,464	-16,395	-13,318	-9,157	-13,576
<b>Gross profit</b>	<b>22,639</b>	<b>25,985</b>	<b>13,222</b>	<b>29,533</b>	<b>28,605</b>	<b>26,192</b>	<b>19,120</b>	<b>32,789</b>
<i>Gross margin</i>	67%	64%	62%	64%	64%	66%	68%	71%
Selling expenses	-13,908	-13,976	-12,962	-24,277	-20,853	-25,901	-20,063	-29,756
Administration costs	-8,527	-10,210	-9,636	-11,399	-13,611	-12,194	-10,035	-15,896
Research and development costs	-1,071	-2,683	-1,848	-2,257	-4,173	-4,701	-4,809	-6,021
Other operating income	1,193	341	311	1,809	2,272	643	198	900
Other operating expenses	-229	-1,359	-769	-1,280	-2,602	-409	-489	-699
<b>Operating income</b>	<b>96</b>	<b>-1,902</b>	<b>-11,682</b>	<b>-7,871</b>	<b>-10,362</b>	<b>-16,370</b>	<b>-16,078</b>	<b>-18,683</b>
<i>Operating margin</i>	0%	-5%	-55%	-17%	-23%	-41%	-57%	-40%
Financial income	2,260	86	469	30	1,651	-306	1,906	8,034
Financial expenses	-125	-2,394	-206	-2,865	-147	-486	-68	-6,462
<b>Net financial items</b>	<b>2,135</b>	<b>-2,308</b>	<b>263</b>	<b>-2,835</b>	<b>1,504</b>	<b>-792</b>	<b>1,838</b>	<b>1,572</b>
<b>Income before taxes</b>	<b>2,232</b>	<b>-4,210</b>	<b>-11,419</b>	<b>-10,706</b>	<b>-8,858</b>	<b>-17,162</b>	<b>-14,240</b>	<b>-17,111</b>
Tax	-532	616	-2,007	-1,113	-105	-127	-681	318
<b>Net income</b>	<b>1,700</b>	<b>-3,594</b>	<b>-13,426</b>	<b>-11,819</b>	<b>-8,963</b>	<b>-17,289</b>	<b>-14,921</b>	<b>-16,793</b>
<b>Operating income (EBIT)</b>	<b>96</b>	<b>-1,902</b>	<b>-11,682</b>	<b>-7,871</b>	<b>-10,362</b>	<b>-16,370</b>	<b>-16,078</b>	<b>-18,683</b>
Whereof depreciation of intangible assets	-446	-446	-433	-431	-425	-426	-429	-3,440
Whereof depreciation of tangible assets	-1,165	-1,188	-1,270	-1,686	-1,629	-1,661	-1,636	-1,754
<b>EBITDA</b>	<b>1,708</b>	<b>-268</b>	<b>-9,979</b>	<b>-5,754</b>	<b>-8,308</b>	<b>-14,283</b>	<b>-14,013</b>	<b>-13,489</b>
<i>EBITDA margin</i>	5%	-1%	-47%	-13%	-18%	-36%	-50%	-29%

(KSEK)	2020				2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Germany	27,640	27,603	16,512	31,303	28,531	27,597	18,031	34,540
Other direct sales	3,539	9,669	2,076	6,720	5,038	3,875	3,514	6,635
Distributor markets	2,653	3,237	2,844	7,974	11,431	8,038	6,732	5,190
<b>Total net sales</b>	<b>33,832</b>	<b>40,509</b>	<b>21,432</b>	<b>45,997</b>	<b>45,000</b>	<b>39,510</b>	<b>28,277</b>	<b>46,365</b>



## Consolidated quarterly summary, balance sheet

(KSEK)	2020				2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>ASSETS</b>								
<b>Intangible assets</b>								
Capitalised development expenditure	109,214	124,019	141,148	166,378	184,591	206,795	238,911	268,201
Concessions, patents, licenses, etc.	4,054	3,487	4,247	2,998	2,718	2,351	2,099	1,786
<b>Tangible assets</b>								
Machinery and other technical facilities	4,527	5,099	5,627	5,711	7,151	6,362	6,146	1,309
Equipment, tools and installations	483	696	877	1,213	1,149	1,172	1,092	6,154
Rights of use	2,628	2,094	8,665	8,792	9,067	9,667	9,485	9,324
<b>Financial assets</b>								
Other long-term assets	45	43	43	41	42	42	42	42
<b>Deferred tax assets</b>	<b>1,742</b>	<b>2,371</b>	<b>1,093</b>	<b>45</b>	<b>83</b>	<b>31</b>	<b>21</b>	<b>23</b>
<b>Total fixed assets</b>	<b>122,693</b>	<b>137,809</b>	<b>161,700</b>	<b>185,178</b>	<b>204,801</b>	<b>226,420</b>	<b>257,796</b>	<b>286,839</b>
Inventory	6,035	8,730	12,186	9,087	11,739	10,714	12,075	11,093
Tax receivables	6	6	6	453	464	457	461	410
Accounts receivable	18,418	11,909	9,469	19,484	17,525	18,458	18,279	20,345
Prepayments and accrued income	4,511	6,207	6,119	5,609	6,364	5,881	6,252	7,115
Other receivables	2,487	3,503	5,456	4,115	3,287	3,276	4,035	5,597
Cash and cash equivalents	442,553	433,537	406,346	376,171	343,619	307,785	261,505	836,181
<b>Total current assets</b>	<b>474,010</b>	<b>463,892</b>	<b>439,582</b>	<b>414,919</b>	<b>382,998</b>	<b>346,571</b>	<b>302,607</b>	<b>880,741</b>
<b>TOTAL ASSETS</b>	<b>596,703</b>	<b>601,701</b>	<b>601,282</b>	<b>600,097</b>	<b>587,799</b>	<b>572,991</b>	<b>560,403</b>	<b>1,167,580</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share capital	2,274	2,305	2,305	2,305	2,305	2,305	2,305	2,483
Other contributed capital	605,702	613,927	613,923	613,923	615,683	615,683	615,683	1,222,395
Translation difference	-1,088	-630	-40	506	211	392	249	184
Retained earnings including net profit	-36,801	-40,396	-53,821	-65,640	-74,603	-91,892	-106,813	-123,606
<b>Equity attributable to the parent company's shareholders</b>	<b>570,087</b>	<b>575,206</b>	<b>562,367</b>	<b>551,094</b>	<b>543,596</b>	<b>526,488</b>	<b>511,424</b>	<b>1,101,456</b>
<b>Non-current liabilities</b>								
Leasing liabilities	629	540	5,336	5,324	5,224	5,414	5,041	4,642
<b>Total non-current liabilities</b>	<b>629</b>	<b>540</b>	<b>5,336</b>	<b>5,324</b>	<b>5,224</b>	<b>5,414</b>	<b>5,041</b>	<b>4,642</b>
<b>Current liabilities</b>								
Leasing liabilities	1,646	1,237	2,890	2,967	3,355	3,779	3,987	4,232
Accounts payable	5,862	6,444	7,954	16,371	10,288	12,577	13,156	15,036
Tax debt	1,296	853	1,985	2,718	2,705	2,949	3,981	3,997
Other liabilities	5,897	4,821	7,750	7,668	9,432	7,038	6,972	18,473
Accrued expenses and deferred income	11,286	12,600	13,000	13,955	13,199	14,746	15,842	19,744
<b>Total current liabilities</b>	<b>25,987</b>	<b>25,955</b>	<b>33,579</b>	<b>43,679</b>	<b>38,979</b>	<b>41,089</b>	<b>43,938</b>	<b>61,482</b>
<b>Total liabilities</b>	<b>26,616</b>	<b>26,495</b>	<b>38,915</b>	<b>49,003</b>	<b>44,203</b>	<b>46,503</b>	<b>48,979</b>	<b>66,124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>596,703</b>	<b>601,701</b>	<b>601,282</b>	<b>600,097</b>	<b>587,799</b>	<b>572,991</b>	<b>560,403</b>	<b>1,167,580</b>

## Consolidated quarterly summary, cash flow statement

(KSEK)	2020				2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Operating activities</b>								
Operating income	96	-1,902	-11,682	-7,871	-10,362	-16,370	-16,078	-18,683
<b>Adjustments for non-cash items</b>								
Depreciations and amortisations	1,611	1,633	1,703	2,117	2,054	2,087	2,065	5,194
Exchange rate differences	-1,197	889	479	-534	-1,435	102	-261	-2,486
Other non-cash items	295	582	2,350	4,184	1,131	652	108	36
Interest received	1	49	-23	-1	0	0	0	0
Interest paid	-96	-14	-21	-59	-50	-66	-62	-65
Taxes paid	-63	-13	-860	67	-189	188	-71	-248
<b>Cash flow from operating activities before changes in working capital</b>	<b>648</b>	<b>1,224</b>	<b>-8,054</b>	<b>-2,098</b>	<b>-8,851</b>	<b>-13,407</b>	<b>-14,299</b>	<b>-16,252</b>
<b>Cash flow from changes in working capital</b>								
Cash flow from inventories	1,223	-2,556	-3,296	3,471	-2,942	1,026	-1,362	982
Cash flow from operating receivables	-10,641	3,217	823	-8,690	4,053	-1,514	-650	-4,058
Cash flow from operating liabilities	860	46	5,901	10,076	-5,570	2,085	1,775	17,763
<b>Cash flow from operating activities</b>	<b>-7,910</b>	<b>1,932</b>	<b>-4,626</b>	<b>2,759</b>	<b>-13,310</b>	<b>-11,810</b>	<b>-14,536</b>	<b>-1,565</b>
<b>Investing activities</b>								
Investments in intangible assets	-13,362	-15,321	-18,268	-25,223	-18,096	-22,412	-32,176	-32,379
Investments in tangible assets	-881	-2,389	-3,763	-5,411	-2,982	-710	-495	-1,005
<b>Cash flow from investing activities</b>	<b>-14,243</b>	<b>-17,710</b>	<b>-22,031</b>	<b>-30,635</b>	<b>-21,078</b>	<b>-23,122</b>	<b>-32,671</b>	<b>-33,384</b>
<b>Financing activities</b>								
New share issue	0	7,862	0	0	0	0	0	614,900
Issue expenses	0	-65	-3	0	0	0	0	-7,946
Amortisation of leasing liabilities	-546	-465	-716	-737	-814	-841	-924	-1,000
Received premium for warrant subscription	0	515	0	0	1,760	0	0	-64
Expenses for warrant program	0	-56	-2	0	0	0	0	0
<b>Cash flow from financing activities</b>	<b>-546</b>	<b>7,791</b>	<b>-721</b>	<b>-737</b>	<b>946</b>	<b>-841</b>	<b>-924</b>	<b>605,890</b>
<b>Cash flow for the period</b>	<b>-22,699</b>	<b>-7,988</b>	<b>-27,378</b>	<b>-28,612</b>	<b>-33,442</b>	<b>-35,773</b>	<b>-48,131</b>	<b>570,941</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>464,560</b>	<b>442,553</b>	<b>433,537</b>	<b>406,346</b>	<b>376,171</b>	<b>343,619</b>	<b>307,785</b>	<b>261,505</b>
Translation difference	692	-1,028	187	-1,563	890	-61	1,851	3,735
<b>Cash and cash equivalents at the end of the period</b>	<b>442,553</b>	<b>433,537</b>	<b>406,346</b>	<b>376,171</b>	<b>343,619</b>	<b>307,785</b>	<b>261,505</b>	<b>836,181</b>

## Parent company income statement, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	46,827	78,341	159,107	121,238
Cost of goods sold	-13,457	-23,221	-49,662	-38,707
<b>Gross profit</b>	<b>33,370</b>	<b>55,120</b>	<b>109,445</b>	<b>82,531</b>
Selling expenses	-19,123	-23,464	-58,487	-72,666
Administration costs	-29,414	-14,299	-102,312	-38,668
Research and development costs	-5,185	-1,268	-15,592	-3,953
Other operating income	4,769	-26,705	15,766	7,790
Other operating expenses	-718	-410	-3,981	-2,611
<b>Operating income</b>	<b>-16,301</b>	<b>-11,026</b>	<b>-55,161</b>	<b>-27,577</b>
<b>Financial items</b>				
Financial income	8,382	334	12,621	1,778
Financial expenses	-20,559	-2,788	-21,088	-2,959
<b>Net financial items</b>	<b>-12,177</b>	<b>-2,454</b>	<b>-8,467</b>	<b>-1,181</b>
<b>Income after net financial items</b>	<b>-28,478</b>	<b>-13,480</b>	<b>-63,628</b>	<b>-28,758</b>
Group contribution	-1	-9	-1	-9
<b>Income before tax</b>	<b>-28,479</b>	<b>-13,489</b>	<b>-63,629</b>	<b>-28,767</b>
Income tax	0	0	0	0
<b>Net income</b>	<b>-28,479</b>	<b>-13,489</b>	<b>-63,629</b>	<b>-28,767</b>

## Parent company statement of other comprehensive income, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Net income</b>	<b>-28,479</b>	<b>-13,489</b>	<b>-63,629</b>	<b>-28,767</b>
<b>Other comprehensive income</b>				
<b>Items that can later be reclassified to the income statement:</b>				
Translation differences from foreign operations	-11	261	-93	200
	<b>-11</b>	<b>261</b>	<b>-93</b>	<b>200</b>
<b>Other comprehensive income, net after tax</b>				
<b>Total comprehensive income</b>	<b>-28,490</b>	<b>-13,228</b>	<b>-63,722</b>	<b>-28,567</b>

## Parent company balance sheet, summary

(KSEK)	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
<b>Intangible assets</b>		
Capitalised development expenditure	253,928	156,261
<b>Tangible assets</b>		
Machinery and other technical facilities	835	4,334
Equipment, tools and installations	5,389	638
<b>Financial assets</b>		
Other long-term assets	404	395
Non-current receivables, group companies	29,819	38,539
<b>Total fixed assets</b>	<b>290,375</b>	<b>200,167</b>
Inventory	11,093	9,245
Tax receivables	4	4
Accounts receivable	17,934	17,925
Receivables, group companies	19,158	2,239
Prepayments and accrued income	5,721	5,575
Other receivables	4,336	3,202
Cash and cash equivalents	816,279	365,113
<b>Total current assets</b>	<b>874,525</b>	<b>403,303</b>
<b>TOTAL ASSETS</b>	<b>1,164,900</b>	<b>603,470</b>

(KSEK)	Dec 31, 2021	Dec 31, 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	2,483	2,305
Fund for capitalised development expenses	246,451	154,405
<i>Non-restricted equity</i>		
Share premium fund	1,222,395	613,923
Retained earnings	-301,172	-180,266
Net income	-63,629	-28,767
<b>Equity attributable to the parent company's shareholders</b>	<b>1,106,528</b>	<b>561,600</b>
<b>Current liabilities</b>		
Accounts payable	13,662	15,469
Liabilities to group companies	10,937	10,095
Tax debt	2,118	1,387
Other liabilities	16,027	4,707
Accrued expenses and deferred income	15,628	10,212
<b>Total current liabilities</b>	<b>58,372</b>	<b>41,870</b>
<b>Total liabilities</b>	<b>58,372</b>	<b>41,870</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,164,900</b>	<b>603,470</b>

## Parent company statement of changes in equity, summary

Equity attributable to the parent company's shareholders

	Restricted equity		Non-restricted equity		Total
	Share capital	Fund for capitalised development expenses	Share premium fund	Retained earnings including net income	Total equity
<b>(KSEK)</b>					
<b>Opening equity at Jan 1, 2020</b>	<b>2,274</b>	<b>88,047</b>	<b>605,702</b>	<b>-114,108</b>	<b>581,915</b>
Net income	-	-	-	-28,767	-28,767
Other comprehensive income	-	-	-	200	200
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-28,567</b>	<b>-28,567</b>
<b>Transactions with the parent company's owners</b>					
New share issue	31	-	7,831	-	7,862
Issue expenses	-	-	-68	-	-68
Received premium for warrant subscription	-	-	515	-	515
Expenses for warrant program	-	-	-57	-	-57
<b>Total transactions with the parent company's owners</b>	<b>31</b>	<b>-</b>	<b>8,221</b>	<b>-</b>	<b>8,252</b>
<b>Reallocation between items in equity</b>					
Capitalised development expenses	-	66,358	-	-66,358	-
<b>Total reallocations</b>	<b>-</b>	<b>66,358</b>	<b>-</b>	<b>-66,358</b>	<b>-</b>
<b>Closing equity at Dec 31, 2020</b>	<b>2,305</b>	<b>154,405</b>	<b>613,923</b>	<b>-209,033</b>	<b>561,600</b>
<b>(KSEK)</b>					
<b>Opening equity at Jan 1, 2021</b>	<b>2,305</b>	<b>154,405</b>	<b>613,923</b>	<b>-209,033</b>	<b>561,600</b>
Net income	-	-	-	-63,629	-63,629
Other comprehensive income	-	-	-	-93	-93
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-63,722</b>	<b>-63,722</b>
<b>Transactions with the parent company's owners</b>					
New share issue	178	-	614,722	-	614,900
Issue expenses	-	-	-7,946	-	-7,946
Received premium for warrant subscription	-	-	1,760	-	1,760
Repurchase of warrants	-	-	-64	-	-64
<b>Total transactions with the parent company's owners</b>	<b>178</b>	<b>-</b>	<b>608,472</b>	<b>-</b>	<b>608,650</b>
<b>Reallocation between items in equity</b>					
Capitalised development expenses	-	92,046	-	-92,046	-
<b>Total reallocations</b>	<b>-</b>	<b>92,046</b>	<b>-</b>	<b>-92,046</b>	<b>-</b>
<b>Closing equity at Dec 31, 2021</b>	<b>2,483</b>	<b>246,451</b>	<b>1,222,395</b>	<b>-364,801</b>	<b>1,106,528</b>

## Parent company cash flow statement, summary

(KSEK)	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Operating activities</b>				
Operating income	-16,301	-11,026	-55,161	-27,577
<i>Adjustments for non-cash items</i>				
Depreciations and amortisations	3,453	415	4,911	969
Exchange rate differences	-2,192	183	-2,671	629
Other non-cash items	36	473	936	473
Interest received	0	319	0	1,336
Interest paid	-10	-6	-23	-8
Taxes paid	0	0	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-15,014</b>	<b>-9,642</b>	<b>-52,008</b>	<b>-24,178</b>
<i>Cash flow from changes in working capital</i>				
Cash flow from inventories	990	9,158	-1,848	-8,262
Cash flow from operating receivables	-6,700	67,552	-26,003	396
Cash flow from operating liabilities	12,059	-68,630	24,296	8,380
<b>Cash flow from operating activities</b>	<b>-8,665</b>	<b>-1,563</b>	<b>-55,563</b>	<b>-23,665</b>
<b>Investing activities</b>				
Investments in intangible assets	-30,136	-23,567	-100,581	-68,213
Investments in tangible assets	-1,006	-3,129	-4,183	-4,893
Investments in financial assets	-32	-1,706	-3,046	-283
<b>Cash flow from investing activities</b>	<b>-31,174</b>	<b>-28,402</b>	<b>-107,810</b>	<b>-73,389</b>
<b>Financing activities</b>				
New share issue	614,900	0	614,900	7,862
Issue expenses	-7,946	0	-7,946	-68
Received premium for warrant subscription	-64	0	1,696	515
Expenses for warrant program	0	0	0	-58
<b>Cash flow from financing activities</b>	<b>606,890</b>	<b>0</b>	<b>608,650</b>	<b>8,251</b>
<b>Cash flow for the period</b>	<b>567,051</b>	<b>-29,965</b>	<b>445,277</b>	<b>-88,803</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>245,632</b>	<b>396,238</b>	<b>365,113</b>	<b>455,206</b>
Translation difference	3,596	-1,160	5,889	-1,291
<b>Cash and cash equivalents at the end of the period</b>	<b>816,279</b>	<b>365,113</b>	<b>816,279</b>	<b>365,113</b>

## Other information

### General information

Sedana Medical (publ), with corporate identity number 556670-2519, is a limited company registered in Sweden with registered office in Danderyd. The address of the head office is Vendevägen 89, SE-182 32 Danderyd, Sweden. The object of the company's operations is to develop, manufacture and sell medical devices. Sedana Medical AB is the Parent Company of the Sedana Medical Group. Unless otherwise indicated, all amounts are stated in thousands of Swedish kronor (KSEK). All amounts, unless otherwise indicated, are rounded to the nearest thousand. Figures in brackets relate to the comparative year.

For the Group's financial assets and liabilities, their carrying amount is considered to be a reasonable estimate of fair value as they essentially refer to current receivables and liabilities, so that the discounting effect is insignificant.

### Accounting principles

This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company interim report has been prepared in accordance with the Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2. Applied accounting policies agree with those described in the 2020 Annual Report of Sedana Medical.

### Important estimates

Estimates and judgements are evaluated regularly and based on historical experience and other factors, including expectations of future events considered reasonable under prevailing circumstances. For further information, see the Group's 2020 Annual Report.

### Alternative performance measures

Alternative performance measures relate to financial performance indicators used by the senior management and investors to assess the Group's earnings and financial position which cannot be read or derived directly from the financial statements. These financial performance indicators are intended to facilitate analysis of the Group's development. The alternative performance measures should accordingly be regarded as complementing the financial reporting prepared in accordance with IFRS. The financial performance indicators presented in this report may differ from similar indicators used by other companies. For further information regarding definitions, see page 25.

### Risk

Sedana Medical's operations, earnings and financial position are affected by a number of risk factors. These are principally related to demand for medical devices, fluctuating exchange rates and access to funding. More information about Sedana Medical's risks and management of these risks can be found in the 2020 Annual Report on pages 56–58. For information concerning our view of Covid-19 and its possible impacts on Sedana Medical, see page 4 and the CEO's Comment on page 3.

### Personnel

During the year, the Group had an average of 73 (55) full time employees and 11 (8) full time consultants, representing an increase of 21 on the same period in 2020. At the end of the quarter, the number of employees was 90 and the number of consultants was 17 compared to 69 and 14 respectively at the start of the year. The main reason for the increase in personnel is a build-up of functions such as sales, marketing, medical affairs and regulatory and quality functions prior to the registration and launch of Sedaconda (isoflurane).

### Transactions with related parties

Transactions with related parties take place on market terms. During the first quarter, Sedana Medical bought goods to a value of KSEK 4,860 (2,355) and services to a value of KSEK 37 (0) from Lismed Ltd. This company is a related party to Ron Farrell, who during the first quarter was a member of Board of the Group's Irish subsidiary. Ron Farrell left his Board position at the beginning of the second quarter. During the first quarter, Sedana Medical provided a loan amounting to SEK 300,000 to Stefan Krisch. Stefan has been part of Sedana Medical's management team since the beginning of March 2021. During the second quarter, a consulting agreement was signed between Sedana Medical and board member Claus Bjerre. No amounts have yet been invoiced or settled regarding this agreement.

## Warrant programme

At the end of the period Sedana Medical had 513,368 outstanding warrants where 1 warrant equals 1 share at conversion.

Programme	Position	Number of acquired warrants at the beginning of the period	Number of acquired warrants during the period	Number of exercised warrants during the period	Number of acquired warrants at the end of the period	Terms*	Strike price (SEK)	Programme
2019/2022	CEO	0	0	0	0	0	1:1	35,56
2019/2022	Senior management	105,172	0	0	0	105,172	1:1	35,56
2019/2022	Other employees	251,168	0	0	33,904	217,264	1:1	35,56
<b>2019/2022</b>	<b>Total</b>	<b>356,340</b>	<b>0</b>	<b>0</b>	<b>33,904</b>	<b>322,436</b>	<b>1:1</b>	<b>35,56</b>
<i>Exercise period 1 July 2022 – 30 November 2022</i>								
2020/2023	CEO	0	0	0	0	0	1:1	83,65
2020/2023	Senior management	16,000	0	0	0	16,000	1:1	83,65
2020/2023	Other employees	26,480	0	0	0	26,480	1:1	83,65
<b>2020/2023</b>	<b>Total</b>	<b>42,480</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,480</b>	<b>1:1</b>	<b>83,65</b>
<i>Exercise period 1 June 2023 – 30 September 2023</i>								
2020/2024	CEO	0	0	0	0	0	1:1	123,88
2020/2024	Senior management	0	0	0	0	0	1:1	123,88
2020/2024	Other employees	0	148,452	0	0	148,452	1:1	123,88
<b>2020/2024</b>	<b>Total</b>	<b>0</b>	<b>148,452</b>	<b>0</b>	<b>0</b>	<b>148,452</b>	<b>1:1</b>	<b>123,88</b>
<i>Exercise period 1 February 2024 – 31 May 2024</i>								
Total	CEO	0	0	0	0	0		
Total	Senior management	121,172	0	0	0	121,172		
Total	Other employees	277,648	148,452	0	33,904	392,196		
	<b>Total</b>	<b>398,820</b>	<b>148,452</b>	<b>0</b>	<b>33,904</b>	<b>513,368</b>		

\* 1:1 = 1 warrant = 1 share at conversion



## Definitions

### **Average number of full-time employees during the period**

Number of full-time employees at the end of each period divided by number of periods

### **Balance sheet total**

Total assets

### **Cash flow per share**

Cash flow for the period divided by average number of shares before dilution

### **Debt to equity ratio**

Total liabilities divided by total equity

### **EBIT**

Operating income/Earnings before interest and taxes

### **EBITDA**

Earnings before interest, taxes, depreciation and amortisation

### **EBITDA margin**

EBITDA divided by net sales

### **Equity to assets ratio**

Total equity divided by total assets

### **Equity per share**

Equity divided by number of shares at the end of the period, before dilution

### **Gross margin**

Gross profit divided by net sales

### **Net income margin**

Net income divided by net sales

### **Operating margin**

Operating income divided by net sales

### **Quick ratio**

Current assets excluding inventories divided by current liabilities

### **Tax rates for the parent company**

2021: 20.6%

Before 2021: 21.4%