



# Interim report

January–September 2023

sedana medical ab (publ)



*“All-time-high Q3 sales and further steps towards ex-US profitability”*

*Johannes Doll, President & CEO*

Q1 Q2 **Q3** Q4

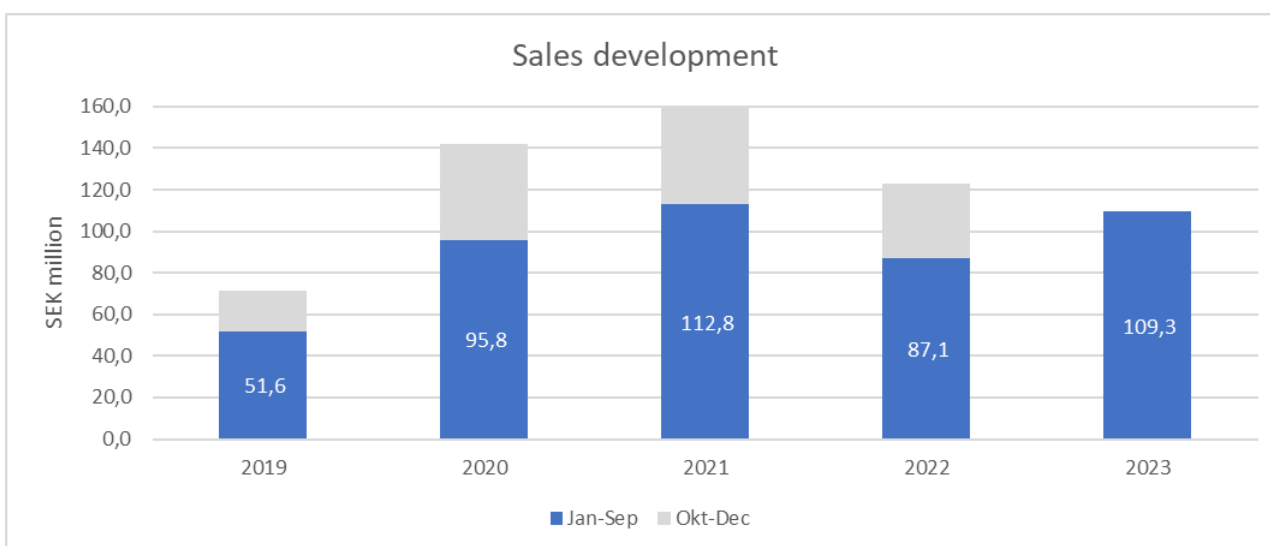
## Financial summary

### Third quarter 2023

- Net sales for the quarter totalled MSEK 34.3 (26.5), equivalent to an increase of 29% compared to the same quarter 2022. At constant exchange rates, sales increased by 16%.
- Gross profit was MSEK 23.9 (18.4) equivalent to a margin of 70% (70%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -12.6 (-25.1), equivalent to an EBITDA margin of -37% (-95%). EBITDA ex-US for the quarter was MSEK -11.5 (-22.8).
- Operating income (EBIT) totalled MSEK -18.1 (-30.8), equivalent to an EBIT margin of -53% (-116%).
- Net income for the quarter was MSEK -6.8 (-7.4) and earnings per share before and after dilution was SEK -0.07 (-0.08).
- Cash and short-term investments at the end of the quarter totalled MSEK 453 compared to MSEK 504 at the beginning of the quarter.
- Cash flow from operating activities totalled MSEK -3.9 (-26.7).
- Cash flow from investments in intangible assets totalled MSEK -41.8 (-39.4). Including repayment of short-term deposits, total cash flow from investing activities totalled MSEK 111.2 (-39.5). The positive cash flow derives mainly from deposits invested in the first quarter which have been repaid during this quarter and were only partly reinvested.
- Total cash flow for the quarter was MSEK 106.2 (-67.4). Adjusted for the allocation of cash to deposits, total cash flow was MSEK -46.9 (-67.4).

### January-September 2023

- Net sales totalled MSEK 109.3 (87.1), equivalent to an increase of 26% compared to 2022. At constant exchange rates, sales increased by 15%.
- Gross profit was MSEK 78.0 (60.3), equivalent to a margin of 71% (69%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -33.9 (-65.5), equivalent to an EBITDA margin of -31% (-75%). EBITDA ex-US for the interim period was MSEK -31.8 (-62.8).
- Operating income (EBIT) totalled MSEK -50.7 (-82.6), equivalent to an EBIT margin of -46% (-95%).
- Net income for the interim period was MSEK -21.5 (-37.6) and earnings per share before and after dilution was SEK -0.22 (-0.38).
- Cash and short-term investments amounted to MSEK 453 at the end of the period compared to MSEK 608 at the beginning of the year, of which short-term investments were MSEK 163 (0).
- Cash flow from operating activities totalled MSEK -46.8 (-92.9).
- In order to favor from better interest rates, investments in short-term deposits were made during the period. These amounted to a total of MSEK -465.4 whereof MSEK 312.4 has been repaid. Cash flow from investing activities thus totalled MSEK -280.1 (-110.5).
- Total cash flow for the period was MSEK -330.6 (-203.7). Adjusted for the allocation of cash to deposits, total cash flow was MSEK -177.5 (-203.7).



Sedana Medical AB (publ) is a pioneer medtech and pharmaceutical company focused on inhaled sedation to improve patients' 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 Stockholm. The company's head office is in Stockholm, Sweden.

## CEO comments

### ***All-time-high Q3 sales and further steps towards ex-US profitability***

**We are looking back on another eventful quarter, in which we remained fully focused on our three strategic priorities: to grow sales in our core markets, to get closer to profitability in our ex-US business, and to make headway towards the NDA approval in the United States. Once again, I am pleased to report solid progress on each of these priorities.**

### ***Continued growth in our direct markets***

After the turbulent post-Covid period in 2022, we have now shown robust year-over-year growth for the third quarter in a row. The business grew by 29% in the quarter (16% excluding the strong currency tailwinds), with our key markets in Europe fueling the growth.

Our main market Germany grew by 21% (9% excluding currency effects) and contributed approximately 70% of Sedana Medical's sales this quarter. The main growth driver in Germany continues to be an increased use of our therapy in existing customer accounts. This is in line with our strategy to continuously enhance field force effectiveness, by maximizing the time we spend with our customers and to help them identify more patients that are likely to benefit from the compelling clinical benefits of inhaled sedation.

Our other direct markets have continued on their strong growth path, with 87% higher sales than last year (69% excluding currency effects). While we see positive development across geographies, Spain continues to stand out as the leading growth engine. Our team's targeted approach, focusing on high-potential regions with high-frequency visits and outstanding customer service, is showing results.

After the end of the quarter, we reached two important milestones that could turn out to be inflection points in our continued growth journey. The Spanish Ministry of Health has now officially granted pricing and reimbursement approval in Spain. This is an important achievement as several potential customers in Spain have awaited the approval before implementing inhaled sedation at their hospitals. In the UK, the MHRA has finally approved Sedaconda (isoflurane), completing the list of 18 countries where inhaled sedation has received marketing authorization. Already in 2022, the UK National Institute for Health and Care Excellence (NICE) recommended the Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care. Together with the positive NICE guidance, we hope that the approval will lead to many ICU patients in the UK benefitting from the clinically proven advantages of inhaled sedation.

We are planning to launch our pharmaceutical Sedaconda (isoflurane) in both Spain and UK in the coming months. We anticipate, however, that the main sales and margin driver will be accelerated device sales, as we expect the approvals to lead to increased use of the therapy overall.

In our distributor markets, where we do not have our own commercial teams on the ground, we saw a sales decline of 11% (20% excluding currency effects). We are implementing a focused distributor strategy, which leads us to focus resources and support on our top distributors and apply an efficient support model for our smaller partners.

### ***Further steps towards profitability ex-US***

We continue to pursue our strategic priority of reaching break-even in our ex-US business during 2024. As a result of our efforts to streamline all elements of our cost structure, we have been able to reduce our EBITDA loss in the quarter to 12.6 MSEK. This compares to an EBITDA loss of 25.1 MSEK for the same period last year. While our gross margin remained stable at 70%, we have been able to reduce our operating expenses by 17% compared to last year (21% excluding currency effects).

Looking at our ex-US business in isolation, we see an EBITDA loss of 11.5 MSEK for the quarter. With continued sales growth and further disciplined actions on the cost side, we are committed to reach break-even ex-US during next year.

### ***Entering the final phase in our US trials***

Both our US clinical trials INSPIRE-ICU 1&2 are in full swing, with 27 clinical trial sites actively recruiting. Both studies have enrolled the majority of randomized patients and we are looking forward to the last part of the study.

The anticipated acceleration of enrolment rates after the summer months, which are seasonally slower in intensive care, has materialized a bit later than planned, so we currently expect both studies to run into 2024. The overall US time plan is unchanged and we continue to work towards the NDA submission in Q1 2025.

Apart from completing the recruitment of patients to the study, a key upcoming milestone will be the report of top-line data, which we expect next year.



It is worth repeating that our communicated timeline assumes no positive effects from the Fast Track Designation granted by FDA earlier this year. We will have the opportunity to discuss possible measures to accelerate the timeline, such as accelerated approval, priority review, and rolling review, in a pre-NDA meeting closer to submission.

While our emphasis is on completing the clinical trial as quickly as possible, we have also intensified our launch preparation activities. With an estimated market potential of 10-12 BSEK, the US clearly represents our largest long-term commercial opportunity.

***Continued focus on our strategic priorities***

It feels good to have left the Covid-19 aftermath behind and to be able to report consistent sales growth since the beginning of 2023. Our passionate team and I, continue to be fully focused on generating growth and reaching profitability in our ex-US business while simultaneously preparing for our exciting US opportunity.

I see the company well on track to meet our short-term financial guidance and deliver on our promise to make inhaled sedation a standard therapy in intensive care – for the benefit of critically ill patients worldwide.

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

## Significant events during the period

- In January, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation (FTD) for the evaluation of isoflurane delivered via Sedaconda ACD-S for sedation of mechanically ventilated patients in intensive care in the US.
- Patient recruitment for the company's pediatric phase III clinical study in Europe (IsoCOMFORT) was completed in January.
- In January, Nasdaq Stockholm's Listing Committee approved Sedana Medical's application for admission to trading of the company's shares on Nasdaq Stockholm and the company's shares thus changed marketplace from First North Growth Market to Nasdaq Stockholm's main market. First day of trading on Nasdaq Stockholm was 25 January.
- In February, market approval for Sedaconda (isoflurane) was received in Italy.
- The Annual General Meeting in May decided on Claus Bjerre as the new chairman of the board.
- Topline results from the pediatric phase III IsoCOMFORT study were presented.
- At the end of June, a post-hoc analysis of the Sedaconda study SED001 was published in the Journal of Critical Care.
- In July the American FDA informed Sedana Medical that data regarding long-term outcomes needs to be included in the Clinical Study Report (CSR) of the INSPIRE-ICU trials before the New Drug Application (NDA) can be submitted.
- At the end of September the US Patent and Trademark Office (USPTO) granted Sedana Medical a patent for the medical device Sedaconda ACD-S.

## Significant events after the period

- In the United Kingdom, the Medicines and Healthcare products Regulatory Agency (MHRA) has granted Sedana Medical marketing authorization for the company's pharmaceutical product Sedaconda (isoflurane).
- In Spain, the Ministry of Health has granted pricing and reimbursement approval to Sedaconda (isoflurane).
- The enrollment of the planned 700 patients in the investigator-initiated trial SESAR was completed.

## Market potential

With its innovative product portfolio for inhaled sedation, Sedana Medical is targeting mechanically ventilated patients in intensive care units. Geographically, Sedana Medical has a clear focus on today's direct markets in Europe (Germany, Spain, France, UK, Nordics and Benelux) and its largest potential market, the United States.

In today's direct markets in Europe, a bit less than 1 million intensive care patients annually require mechanical ventilation and sedation<sup>1</sup>. Based on this patient population, Sedana Medical sees a market potential for its current product portfolio of approximately 3-4 billion SEK.

In the United States, somewhat more than 2 million patients are mechanically ventilated and sedated each year<sup>2</sup>. Assuming a comparable approved label as in Europe, the market potential in the United States is estimated to be 10-12 billion SEK. This number assumes a relatively modest price difference compared to Europe. If Sedana Medical manages to obtain a price differential that is in line with other sedation therapies, the potential could increase accordingly.

The market potential is projected to grow at low-to-mid single digits per year in line with demographic trends.

In 2022, our sales level in Germany represented a penetration of approximately 10% of the market potential. The best performing sales territories in Germany had a penetration of around 20%. Meanwhile, the aggregate penetration in our other direct markets was still below 1%.

In addition to the primary focus on Europe and the United States, Sedana Medical has distributors in more than 30 countries on all continents.

## Strategic priorities

Sedana Medical has set 3 strategic priorities:

1. **Achieve lasting and profitable sales growth in Europe**  
Our market authorizations in 18 European countries to date make Sedana Medical the only company offering an approved therapy for inhaled sedation in intensive care. With a strong focus on commercial execution and a prudent investment philosophy that prioritizes profitable growth, we aim at making inhaled sedation a standard therapy.
2. **Maximize the opportunity in the United States**  
With more than 100,000 intensive care beds and a generally higher price level for sedation therapies, the United States represent our largest potential market. After completion of our Phase III clinical program, which has received FDA fast track designation, and assuming FDA approval, we aspire to launch our products through our own commercial infrastructure.
3. **Build a long-term profitable company**  
Sedana Medical's model with high gross margins and a concentrated customer base (hospitals with intensive care) favours attractive profitability as continue to grow sales. It is a key priority to turn the Ex-US business profitable during 2024, so the US launch can be executed based on a stable financial platform. As we will gradually reach scale and grow the share of US sales, our long-term target is an EBITDA margin around 40%.

<sup>1</sup> Based on publicly available data per country and Sedana Medical's own research

<sup>2</sup> Based on externally performed market opportunity study

## Financial targets

Sedana Medical provides short-term financial targets for net sales and EBITDA and updates these targets in the year-end report of each year or during the year, if needed.

Our financial targets:

- 2023 net sales between 145 and 155 million SEK
- EBITDA break-even of our Ex-US business during 2024

## Business update

### **Sales and commercial execution**

Sedana Medical's vision is to make inhaled sedation the new standard of care in intensive care units (ICUs). Our therapy for inhaled sedation in the ICU consists of the unique medical device Sedaconda ACD, the pharmaceutical Sedaconda® (isoflurane) and accessories, and is being commercialized across Europe leveraging our own sales teams, and globally via distributors. Since Q4 2021, we have focused on building a stronger commercial company by directing our investments towards profitable growth opportunities and enhancing the effectiveness of our sales organization. Our philosophy is to invest in countries that show good growth momentum and generate positive cash flow. For example, we have expanded our sales teams in Germany and Spain. Reversely, we have reduced or delayed further investments in lower-potential geographies until we see a clear trend towards break-even in the near term. With this approach, we ensure that all countries contribute positively to the company over time. At the same time, we are placing emphasis on enhancing our field force effectiveness. For example, we have implemented measures to maximize our customer-facing time, a better customer targeting process, more effective selling model and more rigorous performance management.

During 2023 we have returned to a growth path after the Covid-19 pandemic aftermath during 2022. In Q3, we continue this trend and report net sales growth of 29% relative to 2022. Adjusted for currency effects, sales grew 16% in the quarter. Similarly to Q2 2023, the strong sales performance is driven by our main market Germany, as well as our other direct markets, where Spain currently is the main growth driver.

In Germany, sales grew by 21% in Q3 relative to last year (9% excl. currency effects), as access to customers has normalized, allowing our field teams to spend most of their time visiting customers.

In our other direct markets (Spain, France, UK, Nordics and Benelux) sales grew by 87% in the quarter (69% excl. currency effects). Among our other direct markets, Spain has been a top performer in recent quarters, and this was the case also in Q3, followed by France. All direct markets have shown positive growth year-to-date.

In our distributor markets, sales declined by 11% in Q3 compared to last year (20% excl. currency effects). As communicated in previous reports, the large negative year-over-year effect related to our main South American distributor left the quarterly comparisons in Q3.

### **Regulatory and pricing/reimbursement approvals**

Sedaconda (isoflurane) has now received regulatory approvals by the national authorities in all 18 countries where we have submitted an application: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and as recently announced, the United Kingdom. So far, the pharmaceutical has been made available in Germany, Sweden, Norway, the Netherlands and France. In addition, Sedaconda (isoflurane) has been launched in Slovenia via our distributor in the country.

In October, more than two years after submitting our application, we received regulatory approval for Sedaconda (Isoflurane) from the authorities in the UK (MHRA). Already in 2022, the UK National Institute for Health and Care Excellence (NICE) recommended the Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care. According to NICE, cost modelling had shown cost savings compared with intravenous (IV) 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). We expect the approval in combination with the positive NICE guidance will lead to more ICU patients in the UK benefitting from the clinically proven advantages of inhaled sedation. We are planning to launch our pharmaceutical Sedaconda (isoflurane) in the UK, but the main growth driver will be our device business as we expect the approval to lead to increased use of the therapy overall.

The Spanish Ministry of Health has now officially granted pricing and reimbursement approval for the pharmaceutical Sedaconda (isoflurane) in Spain. We are planning to launch Sedaconda (isoflurane) in Spain, which is our fastest-growing market, in the coming months. Several customers in Spain have awaited the pricing and reimbursement decision before implementing inhaled sedation in their respective hospitals.

### **US clinical program and launch preparations**

Sedana Medical's US clinical program INSPIRE-ICU, aiming at obtaining NDA approval for inhaled sedation in the ICU, is progressing. The US has the highest commercial potential of all markets for Sedana Medical, as it has over 100,000 ICU beds and higher sedation therapy price levels than Europe. INSPIRE-ICU consists of two randomized double-blind clinical studies (INSPIRE-ICU 1 and 2) to confirm and ensure efficacy and safety, based on the same set-up and end-points as our European study (SED001). The total number of patients included in the two studies will be around 600 (of which 470

randomized and 130 run-in) and the company aims to include approximately 25 clinics. We remain highly encouraged by the enthusiasm expressed by the healthcare professionals participating in the trials when they see the benefits of inhaled sedation.

In early 2023, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation (FTD) for the evaluation of isoflurane via the Sedaconda ACD-S device for sedation of mechanically ventilated patients in the intensive care (ICU) setting. Fast Track is a process designed to facilitate the development and expedite the review of therapies that treat serious conditions and fill an unmet medical need. The purpose is to get important new therapies to the patient faster.

Sedana Medical's prediction is that NDA submission can be expected in the early part of 2025. With a standard review time, approval can subsequently be expected by late 2025 or early 2026. Sedana Medical will have the opportunity to discuss with FDA at a pre-NDA meeting if any of the potential benefits of the Fast Track Designation (accelerated approval, priority review, rolling review) will apply to Sedaconda, which might have a positive effect on overall communicated timelines.

2023 is the main year for patient recruitment and capex related to the US clinical program. Patient recruitment is progressing, although based on the current trend recruitment will likely continue into 2024. However, this should not change the overall timetable of NDA submission by Q1, 2025. Importantly, Sedana Medical is well funded to complete the study and achieve US approval, with MSEK 453 in cash and short-term deposits at the end of the quarter.

### ***Cost management and resource allocation***

Before Sedana Medical enters the US market we want to turn our ex-US business profitable, and we expect to achieve this in terms of EBITDA ex-US during 2024. This means we will continue to invest in profitable growth opportunities, while at the same time making sure to manage our resources in a prudent way. This includes shifting spending from administrative functions to customer-facing functions, and from headquarters to our main direct markets. We report a gross margin of 70% in Q3 2023, compared to 70% last year. We are experiencing cost increases for materials and key components, and sequentially our gross margin is slightly down from 71% in Q2 2023.

Our efforts to increase efficiency in our operating cost base continue, and we are implementing measures to further prioritize profitable growth initiatives and reduce spending on administration and other overhead costs. In Q3 2023, despite an inflationary environment and weaker SEK, we report operating expenses of MSEK 41, down 17% compared to MSEK 50 in the same quarter last year. 3 MSEK of this cost reduction is related to last year's preparations for the change of listing to Nasdaq main market, which was completed in January 2023. Adjusted for currency effects, our operating expenses are down 21 % compared to last year. EBITDA for the quarter was MSEK -13 (-37% EBITDA margin), compared to MSEK -25 last year.

### ***Discontinuing sourcing of gas monitors from Russia***

Sedana Medical has historically sold gas monitors produced by a Russian engineering company. Gas monitors are not an important source of revenue or profit for Sedana Medical but represent an important enabler of inhaled sedation in the ICU. Gas monitors are available from a range of medical device companies, but we see value in having the possibility to offer a gas monitor ourselves to be able to start up clinics quickly or expand the number of patients that can receive inhaled sedation in an ICU. When the war in Ukraine started, we decided to discontinue sourcing gas monitors from Russia. We have since sold monitors we have on stock, and we received the final shipment of monitors that had previously been produced for Sedana Medical and that were still on stock at the Russian supplier in Q3 2023. In the meantime, we have worked to set up a new main supplier of gas monitors based in South Korea. Gas monitors from other manufacturers are also available in the market. As a result, we do not see a risk of not being able to supply gas monitors to our customers.

## Financial summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	34,255	26,537	109,323	87,061	122,865
Gross profit	23,938	18,445	78,021	60,330	86,074
Gross margin %	70%	70%	71%	69%	70%
EBITDA	-12,550	-25,108	-33,922	-65,495	-83,138
EBITDA margin %	-37%	-95%	-31%	-75%	-68%
EBITDA ex-US	-11,489	-22,810	-31,799	-62,818	-80,190
Operating income (EBIT)	-18,090	-30,768	-50,697	-82,641	-105,887
Operating margin %	-53%	-116%	-46%	-95%	-86%
Income after net financial items	-6,739	-7,333	-21,131	-37,159	-72,933
Net income	-6,843	-7,445	-21,541	-37,566	-73,507
Net income margin %	-20%	-28%	-20%	-43%	-60%
Total assets	1,053,686	1,119,544	1,053,686	1,119,544	1,081,588
Equity	1,006,234	1,065,978	1,006,234	1,065,978	1,029,155
Equity ratio %	95%	95%	95%	95%	95%
Quick ratio %	1048%	1403%	1048%	1403%	1299%
Debt to equity ratio %	5%	5%	5%	5%	5%
Average number of full-time employees for the period	80	86	80	88	86
Number of employees at balance date	83	88	83	88	85
Number of employees and consultants at balance date	92	98	92	98	95
Average number of shares before dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Average number of shares after dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Number of shares at balance date before dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Number of shares at balance date after dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Earnings per share before dilution, SEK	-0.07	-0.08	-0.22	-0.38	-0.74
Earnings per share after dilution, SEK	-0.07	-0.08	-0.22	-0.38	-0.74

## Group performance

### Net sales

Net sales for the quarter were KSEK 34,255 (26,537), corresponding to an increase of 29 percent. Adjusted for currency effects, the quarter showed an increase of 16 percent.

Our largest market, Germany, was, in absolute terms, the main contributor to the increase with growth of 21 percent (9 percent at constant exchange rates) compared to the same quarter last year. Also within our Other direct markets in Europe, we saw a sales increase in the third quarter of 87 percent (69 percent at constant exchange rates) compared to the corresponding quarter previous year. Spain and France were the countries that contributed the most to the increase in Other direct markets. The increased sales in our direct markets were partly offset by negative growth in our Distributor markets. The decrease is due to timing effects, a continued lack of orders from South America and a comparatively weak quarter in the smaller regions Asia and Middle East.

For the interim period, net sales amounted to KSEK 109,323 (87,061) corresponding to an increase of 26 percent. Adjusted for currency effects, the increase was 15 percent.

(KSEK)	Jul-Sep				Jan-Sep				Jan-Dec
	2023	2022	%	%*	2023	2022	%	%*	2022
Germany	24,197	19,982	21%	9%	75,818	60,081	26%	16%	86,099
Other direct sales	8,053	4,295	87%	69%	25,547	15,045	70%	57%	21,831
Distributor markets	2,004	2,259	-11%	-20%	7,959	11,934	-33%	-39%	14,935
<b>Total net sales</b>	<b>34,255</b>	<b>26,537</b>	<b>29%</b>	<b>16%</b>	<b>109,323</b>	<b>87,061</b>	<b>26%</b>	<b>15%</b>	<b>122,865</b>

\*) at constant exchange rates

### Gross profit and margin

The gross profit for the quarter amounted to KSEK 23,938 (18,445), corresponding to a gross margin of 70 (70) percent.

For the interim period, the gross profit amounted to KSEK 78,021 (60,330), corresponding to a gross margin of 71 (69) percent. The increase is mainly due to higher sales prices compared to the previous year and lower unallocated central costs.



**Selling expenses**

Selling expenses for the quarter was KSEK -24,768 (-30,880), which corresponds to a decrease of 20 percent compared to last year. The decrease is partly due to an overall streamlining of the commercial organization, one-time costs related to a consultant project in the US in the comparator quarter, but also due to non-recurring personnel expenses during the same period last year.

For the interim period selling expenses totalled KSEK -79,221 (-85,136).

**Administrative expenses**

Administrative expenses for the quarter amounted to KSEK -11,446 (-14,126), which corresponds to a decrease of 19 percent. The reduction is due to costs related to the uplisting project in the third quarter last year.

For the interim period, administrative expenses amounted to KSEK -36,776 (-40,567), corresponding to a decrease of 9 percent.

**Research and development expenses**

Research and development expenses for the quarter amounted to KSEK -5,065 (-4,599), which corresponds to an increase of 10 percent. The increase is due to a somewhat lower capitalization rate compared to last year.

For the interim period, research and development expenses amounted to KSEK -15,127 (-14,796), corresponding to an increase of 2 percent.

**Other operating income/expenses**

Other operating income mainly consists of positive unrealised exchange rate differences on operating items. These totalled KSEK 1,185 (5,631). For the interim period other operating income was KSEK 23,584 (9,348).

Other operating expenses mainly consist of negative unrealised exchange rate differences on operating items. These totalled KSEK -1,934 (-5,239). For the interim period other operating expenses were KSEK -21,178 (-11,820).

**Net financial items and earnings per share**

Financial net for the quarter totalled KSEK 11,350 (23,435). The amounts consist partly of unrealized exchange rate differences on cash invested in USD but also of interest on the deposit that was repaid during the quarter and accrued interest on cash and cash equivalents. For the interim period the financial net amounted to KSEK 29,566 (45,482).

Group tax expense for the quarter was KSEK -103 (-112) and consists mainly of current tax in Germany. The group tax expense for the interim period was KSEK -410 (-407).

Consequently, earnings per share amounted to SEK -0.07 (-0.08) for the quarter and SEK -0.22 (-0.38) for the interim period.

## Capitalised development expenditures

Capitalised development expenditures as of September 30 amounted to KSEK 506,207 compared to KSEK 390,530 at the beginning of the year. The amount mainly consists of expenses related to the clinical studies and registration work carried out in connection with the European market approval of Sedaconda (isoflurane) and thus also inhaled sedation. The amount also includes expenses related to the clinical studies and registration work in the United States preparing for a future market approval. The increase compared to the beginning of the year amounts to KSEK 78,601 and relates mainly to investments in clinical studies and registration work for Sedaconda ACD and Sedaconda (isoflurane) in the US as well as investments related to the company's pediatric study IsoCOMFORT (SED002).

## Inventory

As of September 30, inventory amounted to KSEK 48,558 compared to KSEK 38,597 at the beginning of the year. The inventory mainly consists of finished goods and trade goods.

## Equity and debt

Equity on September 30 was KSEK 1,006,234, compared to KSEK 1,029,155 at the beginning of the year. This corresponds to SEK 10.13 (10.73) per share. Equity/assets ratio was 95 percent, compared to 95 percent at the beginning of the year. Debt/equity ratio on September 30 was 5 percent, compared to 5 percent at the beginning of the year. The Group had no long-term debt on September 30.

## Cash, cash position and short-term investments

Cash and cash equivalents increased by KSEK 103,798 during the quarter and totalled KSEK 290,811 on September 30, compared to KSEK 187,013 at the beginning of the quarter. Cash flow from operating activities before changes in working capital for the quarter was KSEK -1,784 (-29,823). Cash flow from changes in working capital totalled KSEK -2,099 (3,083) and was mainly affected by higher inventory levels at quarter end. Cash flow from operating activities thus totalled KSEK -3,883 (-26,741).

Cash flow from investing activities for the quarter totalled KSEK 111,246 (-39,502). The positive cash flow for the quarter is mainly from the short-term deposits invested in the first quarter which have now been repaid and only partly reinvested. This led to an overall positive cash flow from short-term deposits of KSEK 153,087. Other investments consist mostly of intangible assets, mainly development expenses for clinical studies and work on registration of Sedaconda ACD and Sedaconda (isoflurane) in the United States, as well as investments related to the company's paediatric study IsoCOMFORT (SED002).

Cash flow from financing activities for the quarter totalled KSEK -1,204 (-1,126) and relates to amortization of lease liabilities.

Translation differences in cash and cash equivalents amounted to KSEK -2,361 (20,553) during the quarter and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the quarter was SEK 1.07 (-0.68). Adjusted for the allocation of cash to deposits, total cash flow per share was SEK -0.47 (-0.68).

During the interim period cash and cash equivalents decreased by KSEK 316,931 and totalled KSEK 290,811 on September 30, compared to KSEK 607,742 at the beginning of the year. Cash flow from operating activities before changes in working capital for the period was KSEK -31,185 (-71,203). Cash flow from changes in working capital amounted to KSEK -15,653 (-21,669), which was affected mainly by high inventory levels, but also somewhat lower short-term liabilities compared to the beginning of the year. Cash flow from operating activities thus totalled KSEK -46,838 (-92,873).

Cash flow from investing activities for the interim period amounted to KSEK -280,115 (-110,469). During the first quarter, KSEK 306,156 of the company's cash and cash equivalents were invested short-term in favor of better interest rates. These were repaid with KSEK 312,348 during the third quarter, of which KSEK 159,261 were reinvested. Other investments mostly consist of intangible assets, mainly development expenses for clinical studies and work on registration of Sedaconda ACD and Sedaconda (isoflurane) in the United States, as well as investments related to the company's paediatric study IsoCOMFORT (SED002).

Cash flow from financing activities for the period totalled KSEK -3,634 (-324) and relates to amortization of lease liabilities.

Translation differences in cash and cash equivalents for the period amounted to KSEK 13,656 (43,060) and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the period was SEK -3.33 (-2.05). Adjusted for the investment in short-term investments, the cash flow per share amounted to SEK -1.79 (-2.05).

## Parent company

The Parent Company's net sales for the interim period totalled KSEK 109,254 (86,959), of which intra-group sales were KSEK 5,722 (4,605).

Operating income for the period totalled KSEK -49,362 (-75,484). Net financial items were KSEK 31,279 (46,094) and relate mainly to unrealised exchange gains on cash balances in foreign currencies, mainly USD, but also interest on the deposits that were repaid during the quarter and accrued interest on cash and cash equivalents.

Shareholders' equity in the Parent Company totalled KSEK 1,032,163 at September 30 2023, compared to KSEK 1,050,412 at the beginning of the year. This corresponds to a decrease of KSEK 18,248. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents stood at KSEK 279,162, compared to KSEK 587,909 at the beginning of the year. Available funds in the parent company, including short-term deposits, amounted to KSEK 441,781 compared to KSEK 587,909 at the beginning of the year.

## The Sedana Medical share

Sedana Medical share was listed on Nasdaq First North Growth Market Stockholm in 2017 and are since January 25, 2023 listed on Nasdaq Stockholm. Market capitalisation at the end of the third quarter was MSEK 1,871.

The price paid for Sedana Medical shares was SEK 18.70 at the start of the year and SEK 18.83 at the end of the quarter. The lowest closing price during the interim period was recorded on September 27 and was SEK 17.58. The highest closing price was recorded on June 9 and was SEK 33.52.

### Share information

	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Net income, KSEK	-6,843	-7,445	-21,541	-37,566	-73,507
Cash flow, KSEK	106,159	-67,369	-330,587	-203,666	-254,722
Number of shares at balance date	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Average number of shares	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Outstanding warrants at balance date	973,399	1,326,444	973,399	1,326,444	1,003,959
Average number of warrants	988,679	1,326,444	993,772	1,052,752	1,040,554
Share capital at balance date, KSEK	2,483	2,483	2,483	2,483	2,483
Equity at balance date, KSEK	1,006,234	1,065,978	1,006,234	1,065,978	1,029,156
Earnings per share before dilution, SEK	-0.07	-0.08	-0.22	-0.38	-0.74
Earnings per share after dilution, SEK	-0.07	-0.08	-0.22	-0.38	-0.74
Equity per share, SEK	10.13	10.73	10.13	10.73	10.36
Cash flow per share, SEK	1.07	-0.68	-3.33	-2.05	-2.56

### Largest shareholders at the end of the period

	No of shares	Share
Linc AB	10,111,030	10.2%
Swedbank Robur Funds	9,519,013	9.6%
Anders Walldov direct and indirect (Brohuvudet AB)	8,900,000	9.0%
Handelsbanken Funds	7,752,386	7.8%
Ola Magnusson direct and indirect (Magiola AB)	4,362,098	4.4%
Öhman Funds	4,228,170	4.3%
Sten Gibeck	4,196,597	4.2%
Highclere International Investors LLP	3,282,254	3.3%
Bank of Norway	2,593,635	2.6%
AMF Pension	2,491,000	2.5%
Berenberg Funds	2,019,702	2.0%
Premier Miton Investors	1,814,813	1.8%
Third Swedish National Pensin Fund	1,735,989	1.7%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Amundi	1,198,319	1.2%
Fifteen largest shareholders	65,871,470	66.3%
Others	33,465,490	33.7%
<b>Total</b>	<b>99,336,960</b>	<b>100.0%</b>

### Facts about the share

Trading

Nasdaq Stockholm

No of shares as per Sep 30, 2023  
99 336 960

Market cap as per Sep 30, 2023  
SEK 1,871 million

Ticker

SEDANA

ISIN

SE0015988373

LEI-code

549300FQ3NJRI56LCX32

## Contacts and invitation to presentation

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Sedana Medical is listed on Nasdaq Stockholm.

### Presentation of the interim report

Sedana Medical presents the interim report to investors, asset managers, analysts and media on October 26 2023 at 13.30. The presentation will be held in English and takes place via telephone conference and audio webcast. More information is available at: <https://financialhearings.com/event/45895>

After the presentation, a recorded version of the webcast will be available at: <https://sedanamedical.com/investors>

## Nomination committee for the 2024 Annual General Meeting

Sedana Medical's Nomination Committee for the 2024 Annual General Meeting has been appointed and consists of Karl Tobieson, appointed by Linc AB, Patrik Walldov, appointed by Anders Walldov (including indirect holding via Brohuvudet AB), Monica Åsmyr, appointed by Swedbank Robur Fonder and Claus Bjerre, Chairman of the Board. The Nomination Committee together represents 28,72 percent of the voting rights for all voting shares in the company as of September 30, 2023. The Nomination Committee shall submit proposals for resolution by the 2024 General Meeting pertaining to the election of Chairman of the Meeting, fees and composition of the Board, auditors' fees and the election of auditors and, if necessary, proposal for changes in the instruction to the Nomination Committee. Shareholders wishing to submit proposals to Sedana Medical's Nomination Committee can do so by sending an e-mail to [info@sedanamedical.com](mailto:info@sedanamedical.com) (subject "Nomination Committee") or by letter posted to Sedana Medical AB (publ), Attn: Sedana Medical Nomination Committee, Vendevägen 89, SE-182 32, Danderyd, Sweden. A proposal must reach the Nomination Committee no later than by March 22, 2024, to be included in the notice to attend and the agenda for the annual general meeting.

## Financial calendar

Year-End Report 2023	15 February 2024
Annual Report 2023	15 April 2024
Interim Report Q1 2024	25 April 2024
Annual General Meeting 2024	22 May 2024
Interim Report Q2 2024	23 July 2024
Interim Report Q3 2024	24 October 2024

The interim report for Sedana Medical AB (publ) has been issued by the company's CEO after authorization by the board.

Danderyd 26 October 2023

Johannes Doll  
President and CEO

This interim report has 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.

# Auditor's report

Sedana Medical AB (publ) reg. no. 556670-2519

## Introduction

We have reviewed the condensed interim financial information (interim report) of Sedana Medical AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 26, 2023

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorized Public Accountant

## Consolidated income statement, summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	34,255	26,537	109,323	87,061	122,865
Cost of goods sold	-10,317	-8,092	-31,302	-26,731	-36,791
<b>Gross profit</b>	<b>23,938</b>	<b>18,445</b>	<b>78,021</b>	<b>60,330</b>	<b>86,074</b>
Selling expenses	-24,768	-30,880	-79,221	-85,136	-112,469
Administrative expenses	-11,446	-14,126	-36,776	-40,567	-57,473
Research and development expenses	-5,065	-4,599	-15,127	-14,796	-19,944
Other operating income	1,185	5,631	23,584	9,348	13,319
Other operating expenses	-1,934	-5,239	-21,178	-11,820	-15,394
<b>Operating income</b>	<b>-18,090</b>	<b>-30,768</b>	<b>-50,697</b>	<b>-82,641</b>	<b>-105,887</b>
<b>Financial items</b>					
Financial income	11,493	23,835	31,949	46,654	48,300
Financial expenses	-142	-400	-2,382	-1,172	-15,346
<b>Net financial items</b>	<b>11,350</b>	<b>23,435</b>	<b>29,566</b>	<b>45,482</b>	<b>32,954</b>
<b>Income before taxes</b>	<b>-6,739</b>	<b>-7,333</b>	<b>-21,131</b>	<b>-37,159</b>	<b>-72,933</b>
Tax	-103	-112	-410	-407	-574
<b>Net income</b>	<b>-6,843</b>	<b>-7,445</b>	<b>-21,541</b>	<b>-37,566</b>	<b>-73,507</b>
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:					
Before dilution	-0.07	-0.08	-0.22	-0.38	-0.74
After dilution	-0.07	-0.08	-0.22	-0.38	-0.74
<b>Operating income (EBIT)</b>	<b>-18,090</b>	<b>-30,768</b>	<b>-50,697</b>	<b>-82,641</b>	<b>-105,887</b>
Whereof amortisation of intangible assets	-3,868	-3,870	-11,589	-11,746	-15,538
Whereof depreciation of tangible assets	-1,672	-1,790	-5,186	-5,400	-7,211
<b>EBITDA</b>	<b>-12,550</b>	<b>-25,108</b>	<b>-33,922</b>	<b>-65,495</b>	<b>-83,138</b>

## Consolidated statement of other comprehensive income, summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
<b>Net income</b>	<b>-6,843</b>	<b>-7,445</b>	<b>-21,541</b>	<b>-37,566</b>	<b>-73,507</b>
<b>Other comprehensive income</b>					
<b>Items that can later be reclassified to the income statement:</b>					
Translation differences from foreign operations	1,205	-743	-1,381	-1,953	-2,834
<b>Other comprehensive income, net after tax</b>	<b>1,205</b>	<b>-743</b>	<b>-1,381</b>	<b>-1,953</b>	<b>-2,834</b>
<b>Total comprehensive income</b>	<b>-5,638</b>	<b>-8,188</b>	<b>-22,922</b>	<b>-39,519</b>	<b>-76,341</b>
<b>Total comprehensive income as a whole attributable to the parent company's shareholders</b>	<b>-5,638</b>	<b>-8,188</b>	<b>-22,922</b>	<b>-39,519</b>	<b>-76,341</b>

## Consolidated balance sheet, summary

(KSEK)	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	506,207	366,605	390,530
Concessions, patents, licenses, etc.	3,387	2,672	2,849
<b>Tangible assets</b>			
Machinery and other technical facilities	842	1,019	955
Equipment, tools and installations	3,015	4,960	4,492
Rights of use	5,928	9,252	9,271
<b>Financial assets</b>			
Other long-term assets	47	45	46
<b>Deferred tax assets</b>			
	<b>28</b>	<b>30</b>	<b>29</b>
<b>Total fixed assets</b>	<b>519,454</b>	<b>384,583</b>	<b>408,172</b>
Inventory	48,558	34,976	38,597
Tax receivables	1,370	990	514
Accounts receivable	15,591	12,922	15,849
Prepayments and accrued income	13,499	8,002	6,017
Other receivables	1,784	2,496	4,697
Short-term investments	162,620	-	-
Cash and cash equivalents	290,811	675,575	607,742
<b>Total current assets</b>	<b>534,233</b>	<b>734,961</b>	<b>673,416</b>
<b>TOTAL ASSETS</b>	<b>1,053,686</b>	<b>1,119,544</b>	<b>1,081,588</b>
<b>(KSEK)</b>			
	<b>Sep 30, 2023</b>	<b>Sep 30, 2022</b>	<b>Dec 31, 2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	2,483	2,483	2,483
Other contributed capital	1,226,436	1,226,436	1,226,435
Translation difference	-4,031	-1,769	-2,650
Retained earnings including net profit	-218,654	-161,172	-197,113
<b>Equity attributable to the parent company's shareholders</b>	<b>1,006,234</b>	<b>1,065,978</b>	<b>1,029,155</b>
<b>Non-current liabilities</b>			
Leasing liabilities	1,130	3,684	3,576
<b>Total non-current liabilities</b>	<b>1,130</b>	<b>3,684</b>	<b>3,576</b>
<b>Current liabilities</b>			
Leasing liabilities	4,209	5,059	5,167
Accounts payable	9,212	3,215	11,270
Tax debt	1,261	2,597	2,559
Other liabilities	5,123	4,916	6,929
Accrued expenses and deferred income	26,517	34,095	22,932
<b>Total current liabilities</b>	<b>46,322</b>	<b>49,882</b>	<b>48,857</b>
<b>Total liabilities</b>	<b>47,452</b>	<b>53,566</b>	<b>52,433</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,053,686</b>	<b>1,119,544</b>	<b>1,081,588</b>



## Consolidated statement of changes in equity, summary

Equity attributable to parent company shareholders

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings incl net income	Total
<b>Opening equity at Jan 1, 2022</b>	<b>2,483</b>	<b>1,222,395</b>	<b>184</b>	<b>-123,606</b>	<b>1,101,456</b>
Net income	-	-	-	-37,566	-37,566
Other comprehensive income	-	-	-1,953	-	-1,953
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-1,953</b>	<b>-37,566</b>	<b>-39,519</b>
<b>Transactions with the Group's owners</b>					
Received premium for warrant subscription	-	4,628	-	-	4,628
Costs related to warrant programme	-	-490	-	-	-490
Repurchase of warrants	-	-97	-	-	-97
<b>Total transactions with the Group's owners</b>	<b>-</b>	<b>4,041</b>	<b>-</b>	<b>-</b>	<b>4,041</b>
<b>Closing equity at Sep 30, 2022</b>	<b>2,483</b>	<b>1,226,436</b>	<b>-1,769</b>	<b>-161,172</b>	<b>1,065,978</b>

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings incl net income	Total
<b>Opening equity at Jan 1, 2023</b>	<b>2,483</b>	<b>1,226,436</b>	<b>-2,650</b>	<b>-197,113</b>	<b>1,029,157</b>
Net income	-	-	-	-21,541	-21,541
Other comprehensive income	-	-	-1,381	-	-1,381
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-1,381</b>	<b>-21,541</b>	<b>-22,922</b>
<b>Transactions with the Group's owners</b>					
<b>Total transactions with the Group's owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing equity at Sep 30, 2023</b>	<b>2,483</b>	<b>1,226,436</b>	<b>-4,031</b>	<b>-218,654</b>	<b>1,006,234</b>

## Consolidated cash flow statement, summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
<b>Operating activities</b>					
Operating income	-18,090	-30,768	-50,697	-82,641	-105,887
<i>Adjustments for non-cash items</i>					
Depreciations and amortisations	5,539	5,660	16,775	17,146	22,749
Exchange rate differences	4,084	-4,547	-4,879	-6,287	-863
Other non-cash items	601	1	1,935	1,152	1,152
Interest received	6,210	0	6,225	2	3,580
Interest paid	-39	-57	-149	-181	-255
Taxes paid	-88	-112	-394	-394	-583
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1,784</b>	<b>-29,823</b>	<b>-31,185</b>	<b>-71,203</b>	<b>-80,108</b>
<i>Cash flow from changes in working capital</i>					
Cash flow from inventories	-3,512	-2,618	-11,761	-23,883	-27,504
Cash flow from operating receivables	1,536	5,953	-121	10,860	7,494
Cash flow from operating liabilities	-123	-253	-3,771	-8,647	-15,315
<b>Cash flow from operating activities</b>	<b>-3,883</b>	<b>-26,741</b>	<b>-46,838</b>	<b>-92,873</b>	<b>-115,433</b>
<b>Investing activities</b>					
Investments in intangible assets	-41,841	-39,382	-126,884	-109,763	-137,048
Investments in tangible assets	0	-120	-162	-706	-735
Repaid short-term deposits	312,348	-	312,348	-	-
Investments in short-term deposits	-159,261	-	-465,417	-	-
<b>Cash flow from investing activities</b>	<b>111,246</b>	<b>-39,502</b>	<b>-280,115</b>	<b>-110,469</b>	<b>-137,783</b>
<b>Financing activities</b>					
New share issue	-	-	-	-	-
Issue expenses	-	-	-	-	-
Amortisation of leasing liabilities	-1,204	-1,126	-3,634	-3,327	-4,510
Received premium for warrant subscription	-	-	-	3,590	3,590
Costs related to warrant programme	-	-	-	-490	-490
Repurchase of warrants	-	-	-	-97	-97
<b>Cash flow from financing activities</b>	<b>-1,205</b>	<b>-1,126</b>	<b>-3,634</b>	<b>-324</b>	<b>-1,507</b>
<b>Cash flow for the period</b>	<b>106,159</b>	<b>-67,369</b>	<b>-330,587</b>	<b>-203,666</b>	<b>-254,722</b>
Cash and cash equivalents at the beginning of the period	187,013	722,391	607,742	836,181	836,181
Translation difference	-2,361	20,553	13,656	43,060	26,283
Cash and cash equivalents at the end of the period	<b>290,811</b>	<b>675,575</b>	<b>290,811</b>	<b>675,575</b>	<b>607,742</b>

## Parent company income statement, summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	34 265	26 508	109 254	86 959	122 726
Cost of goods sold	-10 010	-7 526	-30 048	-24 402	-34 092
<b>Gross profit</b>	<b>24 254</b>	<b>18 982</b>	<b>79 206</b>	<b>62 557</b>	<b>88 634</b>
Selling expenses	-14 249	-18 796	-47 461	-50 438	-68 360
Administration costs	-23 905	-28 391	-75 682	-83 890	-112 498
Research and development costs	-4 355	-4 055	-13 079	-12 233	-16 927
Other operating income	2 344	7 933	28 408	20 135	30 757
Other operating expenses	-1 849	-5 313	-20 755	-11 615	-15 238
<b>Operating income</b>	<b>-17 759</b>	<b>-29 640</b>	<b>-49 362</b>	<b>-75 484</b>	<b>-93 632</b>
<b>Financial items</b>					
Financial income	12 651	24 008	33 522	47 052	48 965
Financial expenses	-102	-330	-2 242	-958	-15 074
<b>Net financial items</b>	<b>12 549</b>	<b>23 678</b>	<b>31 279</b>	<b>46 094</b>	<b>33 891</b>
<b>Income after net financial items</b>	<b>-5 210</b>	<b>-5 962</b>	<b>-18 083</b>	<b>-29 390</b>	<b>-59 741</b>
Group contribution	-	-	-	-	0
<b>Income before tax</b>	<b>-5 210</b>	<b>-5 962</b>	<b>-18 083</b>	<b>-29 390</b>	<b>-59 741</b>
Income tax	-	-	-	-	-
<b>Net income</b>	<b>-5 210</b>	<b>-5 962</b>	<b>-18 083</b>	<b>-29 390</b>	<b>-59 741</b>

## Parent company statement of other comprehensive income, summary

(KSEK)	Jul-Sep		Jan-Sep		Jan-Dec
	2023	2022	2023	2022	2022
<b>Net income</b>	<b>-5,210</b>	<b>-5,962</b>	<b>-18,083</b>	<b>-29,390</b>	<b>-59,741</b>
<b>Other comprehensive income</b>					
<b>Items that can later be reclassified to the income statement:</b>					
Translation differences from foreign operations	446	-94	164	-297	-416
	<b>446</b>	<b>-94</b>	<b>164</b>	<b>-297</b>	<b>-416</b>
<b>Other comprehensive income, net after tax</b>					
<b>Total comprehensive income</b>	<b>-4,764</b>	<b>-6,056</b>	<b>-17,919</b>	<b>-29,687</b>	<b>-60,158</b>

## Parent company balance sheet, summary

(KSEK)	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	475,584	345,091	365,470
<b>Tangible assets</b>			
Machinery and other technical facilities	779	801	795
Equipment, tools and installations	2,757	4,455	4,066
<b>Financial assets</b>			
Other long-term assets	404	404	404
Non-current receivables, group companies	36,885	33,157	34,518
<b>Total fixed assets</b>	<b>516,409</b>	<b>383,908</b>	<b>405,253</b>
Inventory	48,558	34,976	38,597
Tax receivables	559	5	4
Accounts receivable	12,988	11,493	14,102
Receivables, group companies	54,453	40,444	49,893
Prepayments and accrued income	12,980	7,123	5,823
Other receivables	637	1,943	4,072
Short-term investments	162,620	-	-
Cash and cash equivalents	279,162	659,789	587,909
<b>Total current assets</b>	<b>571,956</b>	<b>755,773</b>	<b>700,401</b>
<b>TOTAL ASSETS</b>	<b>1,088,365</b>	<b>1,139,681</b>	<b>1,105,654</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	2,483	2,483	2,483
Fund for capitalised development expenses	468,176	338,777	356,396
<i>Non-restricted equity</i>			
Share premium fund	1,226,435	1,226,435	1,226,435
Retained earnings	-646,848	-457,424	-475,162
Net income	-18,083	-29,390	-59,741
<b>Equity attributable to the parent company's shareholders</b>	<b>1,032,163</b>	<b>1,080,882</b>	<b>1,050,412</b>
<b>Current liabilities</b>			
Accounts payable	8,780	2,990	10,711
Liabilities to group companies	20,672	19,875	18,092
Tax debt	1,079	2,071	2,300
Other liabilities	3,487	3,601	5,287
Accrued expenses and deferred income	22,183	30,262	18,852
<b>Total current liabilities</b>	<b>56,201</b>	<b>58,800</b>	<b>55,242</b>
<b>Total liabilities</b>	<b>56,201</b>	<b>58,800</b>	<b>55,242</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,088,365</b>	<b>1,139,681</b>	<b>1,105,654</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 and pharmaceuticals. 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 interim 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 2022 Annual Report of Sedana Medical. None of the other published standards and interpretations that are mandatory for the Group for the financial year 2023 are deemed to have any impact on the Group's financial reports.

During the year, investments have been made in short-term investments, so-called deposits in SEK and USD, with a term of 6 months. These are valued at amortized cost and converted to Swedish kronor according to the exchange rate on the balance sheet date.

### 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 2022 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. These key ratios that are not defined according to IFRS are also presented in the report because they are considered to constitute important supplementary key ratios for the company's results. For information on these key ratios and how they have been calculated, please see definitions on page 23 and <https://sedanamedical.com/investors/financial-reports-presentations/key-ratios/>

### 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 2022 Annual Report on pages 40-42.

### Personnel

During the period, the Group had an average of 80 (88) full time employees and 7 (7) full time consultants, representing a decrease of 8 on the same period in 2022. In terms of total headcount (i.e. regardless of full-time or part-time positions), the total number of employees was 83 and the total number of consultants was 9 at the end of the quarter, compared to 88 and 10 respectively at the corresponding balance date last year. The decrease in the number of people is mainly a result of efficiency measures in central administrative and support functions.

### Transactions with related parties

Transactions with related parties take place on market terms. During 2021, Sedana Medical provided a loan amounting to KSEK 300 to Stefan Krisch and as of September 30, the claim amounts to KSEK 274. Stefan is part of Sedana Medical's management team. During 2021, a consulting agreement was also signed between Sedana Medical and board member Claus Bjerre. In total, since the agreement was signed, KSEK 200 regarding this agreement has been settled.

Sedana Medical reports compensation and benefits to senior executives in accordance with IAS 19 Employee benefits. Additional information can be found in Sedana Medical's annual report for 2022, page 54-55.

## Warrant programme

At the end of the interim period Sedana Medical had 973,399 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 expired warrants during the period	Number of repurchased warrants during the period	Number of warrants at the end of the period	Terms*	Strike price (SEK)
2020/2023	CEO	-	-	-	-	-	1:1	83.65
2020/2023	Senior management	4,000	-	-4,000	-	-	1:1	83.65
2020/2023	Other employees	26,560	-	-26,560	-	-	1:1	83.65
<b>2020/2023</b>	<b>Total</b>	<b>30,560</b>	<b>-</b>	<b>-30,560</b>	<b>-</b>	<b>-</b>	<b>1:1</b>	<b>83.65</b>
<i>Exercise period 1 June 2023 – 30 September 2023</i>								
2020/2024	CEO	-	-	-	-	-	1:1	123.88
2020/2024	Senior management	25,200	-	-	-	25,200	1:1	123.88
2020/2024	Other employees	123,252	-	-	-	123,252	1:1	123.88
<b>2020/2024</b>	<b>Total</b>	<b>148,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,452</b>	<b>1:1</b>	<b>123.88</b>
<i>Exercise period 1 February 2024 – 31 May 2024</i>								
2022/2025:1	CEO	495,000	-	-	-	495,000	1:1	46.24
2022/2025:1	Senior management	-	-	-	-	-	1:1	46.24
2022/2025:1	Other employees	-	-	-	-	-	1:1	46.24
<b>2022/2025:1</b>	<b>Total</b>	<b>495,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495,000</b>	<b>1:1</b>	<b>46.24</b>
<i>Exercise period 30 May 2025 - 30 September 2025</i>								
2022/2025:2	CEO	-	-	-	-	-	1:1	46.24
2022/2025:2	Senior management	231,606	-	-	-	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	-	-	-	98,341	1:1	46.24
<b>2022/2025:2</b>	<b>Total</b>	<b>329,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329,947</b>	<b>1:1</b>	<b>46.24</b>
<i>Exercise period 30 May 2025 - 30 September 2025</i>								
Total	CEO	495,000	-	-	-	495,000		
Total	Senior management	260,806	-	-4,000	-	256,806		
Total	Other employees	248,153	-	-26,560	-	221,593		
	<b>Total</b>	<b>1,003,959</b>	<b>-</b>	<b>-30,560</b>	<b>-</b>	<b>973,399</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

### **EBITDA ex-US**

Operating income (EBIT) less depreciation and write-downs as well as operating expenses attributable to the company's US business

### **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

### **Number of employees at the end of the period**

Number of employees excluding consultants regardless of employment rate per balance sheet date. Sick leave and parental leave are included. Holidays are not excluded

### **Number of employees and consultants at the end of the period**

Number of employees including consultants regardless of employment rate per balance sheet date. Sick leave and parental leave are included. Holidays are not excluded

### **Operating margin**

Operating income divided by net sales

### **Quick ratio**

Current assets excluding inventories divided by current liabilities

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

2023: 20,6%

2022: 20.6%