



# Interim report

January–September 2022

sedana medical ab (publ)



*"Sales growth in our direct markets despite temporary market headwinds"*

*Johannes Doll, President and CEO*

Q1 Q2 **Q3** Q4

## Financial summary

### Third quarter 2022

- Net sales for the quarter totalled MSEK 26,5 (28,3), equivalent to a decrease of 6% compared to 2021. At constant exchange rates, sales decreased by 10%.
- Gross profit was MSEK 18,4 (19,1), equivalent to a margin of 70% (68%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -25,1 (-14,0), equivalent to an EBITDA margin of -95% (-50%).
- Operating income (EBIT) totalled MSEK -30,8 (-16,1), equivalent to an EBIT margin of -116% (-57%).
- Net profit for the quarter was MSEK -7,4 (-14,9), and earnings per share before and after dilution was SEK -0.08 (-0.17).
- Cash flow from operating activities totalled MSEK -26,7 (-14,5).
- Cash flow from investing activities totalled MSEK -39,5 (-32,7).
- Total cash flow was MSEK -67,4 (-48,1).
- Cash and cash equivalents at the end of the quarter totalled MSEK 676, compared to MSEK 722 at the beginning of the quarter.

### January-September 2022

- Net sales totalled MSEK 87,1 (112,8), equivalent to a decrease of 23% compared to the previous year. At constant exchange rates, sales decreased by 26%.
- Gross profit was MSEK 60,3 (73,9), equivalent to a margin of 69% (66%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -65,5 (-36,6), equivalent to an EBITDA margin of -75% (-32%).
- Operating income (EBIT) totalled MSEK -82,6 (-42,8) equivalent to an EBIT margin of -95% (-38%).
- Net profit for the period was MSEK -37,6 (-41,2), and earnings per share before and after dilution was SEK -0.38 (-0.45).
- Cash flow from operating activities totalled MSEK -92,9 (-39,7).
- Cash flow from investing activities totalled MSEK -110,5 (-76,9).
- Total cash flow was MSEK - 203,7 (-117,3).
- Cash and cash equivalents at the end of the period totalled MSEK 676, compared to MSEK 836 at the beginning of the year.



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 First North Growth Market. The company's head office is in Stockholm, Sweden.

## CEO comments

### ***Sales growth in our direct markets despite temporary market headwinds***

**For the third quarter, we report sales growth both in Germany and in our other direct markets, despite a lower number of ventilated patients and continued restricted operations in ICUs.**

#### ***Temporary market headwinds...***

As we anticipated, we have still seen a lower number of mechanically ventilated patients in ICUs compared to last year, albeit to a lesser extent than in previous quarters as the Covid-19 effect on last year's Q3 sales was comparatively modest.

In our main market Germany for instance, we saw the number of patients treated in ICUs during the quarter (including both ventilated and non-ventilated patients) drop by 10%, while the number of mechanically ventilated Covid-19 patients dropped by 20%<sup>1</sup>.

In addition, hospitals across our markets continue to suffer from staff shortages. In Germany, 64% of ICUs reported to operate under restricted or partly restricted conditions during the quarter.

#### ***...but sales growth in direct markets***

For the third quarter, we report net sales of 26.5 MSEK, a decline of 6% (10% in local currencies) compared to last year. Sales in the quarter were 59% higher than 2019, the last year prior to the Covid-19 pandemic.

I am pleased to see positive growth in the markets where we have our own commercial teams on the ground. In Germany, we have grown sales by 11% (6% in local currencies) while our other direct markets Spain, France, UK, Benelux and the Nordics delivered 20% year-over-year growth (15% in local currencies).

For our distributor markets, we have seen a significant sales decline of 65% (67% in local currencies) compared to a strong Q3 in 2021. Apart from the high sales in Q3 2021, which were still impacted by Covid-19, the decline is explained by continued high stock levels at our main distributor in South America and the resulting temporary lack of new orders. Our other distributors in aggregate showed positive growth during the quarter.

#### ***Sedaconda® (isoflurane) launch continues in more countries***

I am pleased to report that Sedaconda (isoflurane) has been launched in France, adding another important country to the growing list of markets where we can promote the full inhaled sedation therapy, consisting of both the medical device Sedaconda ACD and our proprietary pharmaceutical Sedaconda (isoflurane). As of today, Sedaconda (isoflurane) is available in Germany, France, Netherlands, Sweden, Norway, and Slovenia.

In Spain, the pricing and reimbursement process is progressing according to plan, and – assuming the authorities stick to the anticipated timeline – we expect to launch Sedaconda (isoflurane) in late Q4 or early Q1, which should lead to a further acceleration of the good momentum we see in Spain.

We received market authorization in Switzerland during the quarter, and continue to await approvals in the UK, Italy and Poland. We continue to expect approval in Italy and Poland before the end of the year, but the UK authorities have now informed us that approval will be further delayed into next year due to high workload at MHRA and we will receive a timeline for approval in Q1 2023.

During the quarter, we have received Medical Device Regulation (MDR) certification for Sedaconda ACD. The new EU MDR regulation was implemented to ensure an even higher level of quality and safety for medical devices in Europe. While this positive outcome was expected, I am proud of our team's efforts to achieve this important milestone to secure future market access for our products, well ahead of the deadline in 2024.

#### ***Progress in the United States***

We are making good progress with our INSPIRE-ICU clinical trials in the United States. The majority of our clinical trial sites are up and running and actively recruiting patients, and we are happy about the excitement and motivation we see in the study teams. If we can keep the anticipated pace of patient recruitment, we should see the last patient leave the clinic in Q4, 2023 and hence – assuming FDA approval – expect to deliver according to our plan to launch in the United States early 2025.

In parallel, we are ramping up our preparations from a commercial perspective to further deepen our understanding of the market potential, its market access requirements and purchasing processes of our future customers.



<sup>1</sup> Statistics exclude low-care beds (which don't tend to be equipped with ventilators)

***Outlook: back to normal from 2023?***

The last significant Covid-19 wave reaching the ICUs started in August 2021, therefore impacting part of Q3 and all of Q4 last year, with significantly elevated numbers of ventilated patients. Afterwards, during the first three quarters of 2022, Sedana Medical's sales have been impacted by a number of external factors, such as a temporary contraction of the addressable market and restricted hospital operations coming out of the pandemic. While we have always been confident about the underlying dynamic and progress, the obvious question is when we will enter a "new normal".

Of course, there is still significant uncertainty, but the consensus among our customers, who are working on the frontlines, appears to be that we can expect more normalized ICU patient numbers from early 2023, while some of the effects, most notably staff shortages, may take longer to resolve.

As always, we remain fully focused on what we have under our control: First and foremost, we are putting great emphasis on commercial execution by implementing our sales growth initiatives in order to make inhaled sedation the standard of care in more and more hospitals.

I would like to thank you for your trust and support and look forward to updating you on our progress.

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

## Significant events during the period

- In January, the National Institute for Health and Care Excellence (NICE) in the UK, 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.
- In March, a post hoc analysis on the Sedaconda study was presented as a poster at ISICEM, one of the world's largest conferences for intensive care and emergency medicine, concluding that isoflurane sedation as the primary sedative during mechanical ventilation in the first 30 days after randomization, was associated with significantly more ICU-free days than propofol sedation, with a difference of four days. The company also hosted a symposium at the conference.
- During Q1, Sedaconda ACD was approved in Brazil and in Indonesia. With 26,000 and 30,000 ICU beds respectively, both countries represent sizeable potential markets.
- In April, end of procedure was reached in Italy, an important milestone in the approval process for Sedaconda. Approval is expected in the second half of 2022.
- In April the first patient has been included in the US clinical program.
- The Annual General Meeting held in May resolved on the implementation of two new warrant programmes, 2022/2025:1 and 2022/2025:2, for the CEO and selected employees.
- In May the Annual General Meeting resolved to newly elect Hilde Furberg as member of the board. Bengt Julander did not stand for re-election.
- During the second quarter, Sedaconda (isoflurane) was launched in the Netherlands, Sweden and Norway.
- In August Sedana Medical received Medical Device Regulation (MDR) certification, which secures EU market access for Sedaconda ACD under the new MDR regulation, well ahead of the deadline in 2024.
- During the third quarter, Sedaconda (isoflurane) was launched in France, and received market approval in Switzerland.

## Significant events after the period

- No significant events after the period.

## Impact of Covid-19

Throughout the pandemic, Covid-19 has affected Sedana Medical's business. The impact included both positive effects, primarily the higher numbers of ventilated patients in ICUs during 2020-2021, but also negative effects, such as restricted access to hospital customers. There is still significant uncertainty around what the "new normal" will look like and how fast we will reach it, e.g. when access restrictions will be lifted, for how long ICU operations will be constrained due to staff shortages and to what extent ICU capacities will continue to be scaled back after the pandemic.

## Financial targets

The company aims at achieving revenue in excess of SEK 500 million in Europe in 2025 and an EBITDA margin of 40 percent when the company has reached a steady state following the launch phase in the United States.

## **Business update**

### ***Launch progress of Sedaconda® (isoflurane) in Europe***

Sedana Medical's goal is to make inhaled sedation the standard of care for mechanically ventilated patients in intensive care units.

During Q3, we received market approval for our pharmaceutical product Sedaconda (isoflurane) in Switzerland, taking the number of European countries where we have approval for our full therapy to 15. Further market approvals are expected in Poland and Italy before the end of 2022. The Italian authorities have incurred some delay due to internal process issues, moving the anticipated approval towards the end of the year. We are also eagerly awaiting market approval in the UK, where the authorities recently informed us that approval is delayed into next year due to a high workload at MHRA and a timeline for approval can be expected in Q1 2023.

In the countries where the full approval has been obtained and local pricing and reimbursement processes have been completed, Sedana Medical offer the complete therapy for inhaled sedation of mechanically ventilated patients in intensive care, consisting of the medical device Sedaconda ACD, the volatile anaesthetic Sedaconda (isoflurane), as well as accessories. Since the first shipment of Sedaconda (isoflurane) to customers in Germany in February, the pharmaceutical has been made available in Sweden, Norway, the Netherlands and during Q3 also in France. In addition, Sedaconda (isoflurane) has been launched in Slovenia via our distributor in the country during Q3.

Besides UK and Italy, the major outstanding market in Europe is Spain, where the pricing and reimbursement process is progressing according to plan. Assuming no delays on the authorities' side, Sedana Medical aims to launch Sedaconda (isoflurane) in Spain at the end of 2022 or early 2023.

### ***Convincing clinical and health-economic benefits***

On our journey to make inhaled sedation the standard of care, Sedana Medical can draw upon convincing clinical and health-economic benefits. Our Sedaconda study in Europe (SED001), the largest randomised, controlled, open-label trial performed to date on inhaled sedation in intensive care, demonstrated Sedaconda's non-inferiority to intravenous propofol and showed that sedation with Sedaconda reduced the need for opioids, facilitated spontaneous breathing, and enabled faster and more predictable awakening.

Based on the study data, Sedana Medical has performed a post hoc analysis, which concluded that isoflurane sedation as the primary sedative during mechanical ventilation in the first 30 days, was associated with significantly more ICU-free days than intravenous propofol sedation, with a difference of four days. To further emphasize the health-economic benefits, the UK's National Institute for Health and Care Excellence (NICE) issued positive guidance in early 2022 recommending Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care as an alternative to intravenous sedation (in England and Wales). NICE's cost modelling shows a saving compared to intravenous sedation of approximately £3,800 per adult patient (30-day time horizon for adult patients needing mechanical ventilation for 24 hours or longer in intensive care).

### ***Majority of US study sites are recruiting patients***

Sedana Medical reached an important milestone in the company's history in Q2 when the first patient was enrolled in the company's US clinical program INSPIRE-ICU. The program aims at obtaining NDA approval for inhaled sedation in the ICU by the end of 2024, and enable US launch of the therapy in early 2025. The US has the highest commercial potential of all markets for Sedana Medical, as it has over 100,000 ICU beds and significantly higher sedation therapy price levels than Europe.

To obtain market approval in the US, Sedana Medical is conducting 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 the 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. Since the first patient enrolment in late April, site start-up and patient recruiting are progressing according to plan and – assuming we can keep the anticipated recruitment levels - we can confirm our ambitious time plan to obtain US approval before the end of 2024.

So far, the majority of the trial sites have started patient recruitment, and new sites are being started up on a regular basis, so patient recruitment will further accelerate in the coming months. We are encouraged by the enthusiasm expressed by the trial site healthcare professionals when they see the benefits of inhaled sedation.

### ***Latin and South America remain attractive opportunities for expanding the global footprint***

While Sedana Medical's strategic focus is on growing sales in Europe and launching in the United States, the company is experiencing high interest from around the world. We have assessed distributor markets based on market potential, accessibility and expected return on investment. One example of a prioritized region is Latin- and South America given the commercial potential and customer interest. These markets are served through distributors, combined with a Sedana Medical key account manager for the region who started in Q3, based in São Paulo, Brazil.

Sales increased strongly in Mexico, Colombia and Ecuador during the Covid-19 pandemic, but have been lower during 2022 as a consequence of elevated stock levels on the distributor side. Despite this, the company expects a return to growth in the region during 2023, backed by market approvals for the Sedaconda ACD in both Argentina (8,000 ICU

beds) and Brazil (26,000 ICU beds). It is also clear that the positive market reception in Spain is contributing to raise awareness and customer interest in Latin- and South America.

### ***Managing supply chain and other cost inflation***

As most businesses, we are experiencing cost pressure in our supply chain and shipping. So far, we have been able to compensate for cost increases and instead grow our gross margin to 70% in Q3 2022 (68% in Q3 2021) through several targeted initiatives, such as price adjustments, actively managing transportation towards sea freight and negotiating prices with our key suppliers. Our efforts to increase efficiency in our operating cost base continue, although the progress is obscured in Q3 relative to Q2 due to certain non-recurring costs related to organizational changes and the upcoming move of the company's share to the Nasdaq main list in Stockholm.

### ***Stopped sourcing gas monitors from Russia***

Sedana Medical has historically sold gas monitors, which were 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.

Since the start of the war in Ukraine, we have not sourced any more monitors from Russia. Devices on stock are still available for sale, but we are also offering a gas monitor from another manufacturer. Furthermore, we are in discussions with additional manufacturers, and we don't see a risk of not being able to supply gas monitors to our customers.

## Financial summary

| (KSEK)   | Jul-Sep    |            | Jan-Sep    |            | Jan-Dec    |
|--|------------|------------|------------|------------|------------|
|  | 2022       | 2021       | 2022       | 2021       | 2021       |
| Net sales  | 26,537     | 28,277     | 87,061     | 112,787    | 159,152    |
| Gross profit   | 18,445     | 19,120     | 60,330     | 73,917     | 106,706    |
| Gross margin %   | 70%        | 68%        | 69%        | 66%        | 67%        |
| EBITDA   | -25,108    | -14,013    | -65,495    | -36,604    | -50,093    |
| EBITDA margin %  | -95%       | -50%       | -75%       | -32%       | -31%       |
| Operating income (EBIT)  | -30,768    | -16,078    | -82,641    | -42,810    | -61,493    |
| Operating margin %   | -116%      | -57%       | -95%       | -38%       | -39%       |
| Income after net financial items                               | -7,333     | -14,240    | -37,159    | -40,260    | -57,371    |
| Net income   | -7,445     | -14,921    | -37,566    | -41,173    | -57,966    |
| Net income margin %  | -28%       | -53%       | -43%       | -37%       | -36%       |
| Total assets   | 1,119,544  | 560,403    | 1,119,544  | 560,403    | 1,167,580  |
| Equity   | 1,065,978  | 511,424    | 1,065,978  | 511,424    | 1,101,456  |
| Equity ratio %   | 95%        | 91%        | 95%        | 91%        | 94%        |
| Quick ratio %  | 1403%      | 661%       | 1403%      | 661%       | 1,414%     |
| Debt to equity ratio %   | 5%         | 10%        | 5%         | 10%        | 6%         |
| Average number of full-time employees for the period           | 86         | 73         | 88         | 70         | 73         |
| Number of employees at balance date                            | 88         | 85         | 88         | 85         | 90         |
| Number of employees and consultants at balance date            | 98         | 99         | 98         | 99         | 107        |
| Average number of shares before dilution <sup>1)</sup>         | 99,336,960 | 92,186,960 | 99,336,960 | 92,186,960 | 92,774,631 |
| Average number of shares after dilution <sup>1)</sup>          | 99,336,960 | 92,734,232 | 99,381,793 | 92,660,006 | 92,964,711 |
| Number of shares at balance date before dilution <sup>1)</sup> | 99,336,960 | 92,186,960 | 99,336,960 | 92,186,960 | 99,336,960 |
| Number of shares at balance date after dilution <sup>1)</sup>  | 99,336,960 | 92,734,232 | 99,336,960 | 92,734,232 | 99,548,704 |
| Earnings per share before dilution, SEK                        | -0.08      | -0.17      | -0.38      | -0.45      | -0.62      |
| Earnings per share after dilution, SEK                         | -0.08      | -0.17      | -0.38      | -0.45      | -0.62      |

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

## Group performance

### Net sales

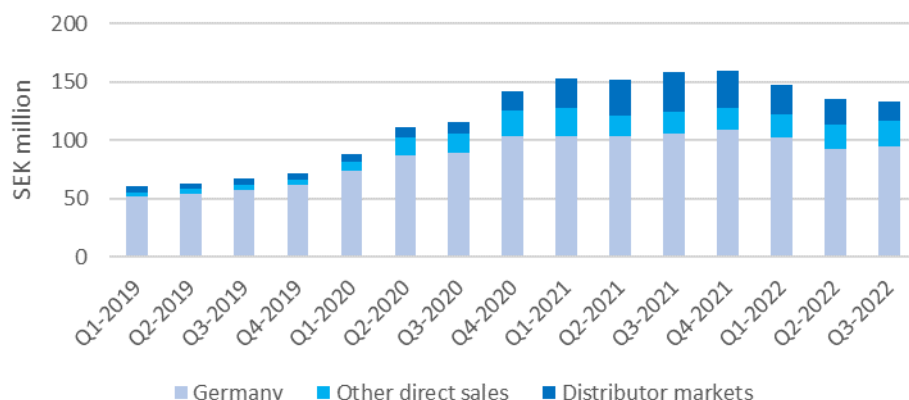
Net sales during the quarter totalled KSEK 26,537 (28,277), equivalent to a decrease of 6 percent. Adjusted for currency effects, the quarter showed a decrease of 10 percent. The decrease is mainly due to lower sales in our distributor markets while our direct markets showed organic growth for the quarter. In Germany sales increased by 11 percent, 6 percent adjusted for currency effects, and in total the sales increase for our direct markets amounted to 12 percent, 8 percent adjusted for currency effects.

Net sales for the interim period totalled KSEK 87,061 (112,787), equivalent to a decrease of 23 percent. Adjusted for currency effects, the interim period showed a decrease of 26 percent. In Germany, sales decreased by 19 percent, mainly due to a sharp decrease in the number of ventilated patients in intensive care units. In other direct markets in Europe, we have seen similar effects in some countries with fewer ventilated intensive care patients and limited access to hospitals. However, this was offset by good underlying growth, particularly in Spain, France and the United Kingdom, leading to an overall increase in sales of 20 percent in our other direct markets. With regards to distributor markets, the decrease relates mainly to South America, where we had strong sales in the third quarter of the previous year, and sales this year have been affected by continued high inventory levels. Our distributor countries outside South America showed positive growth for the quarter.

| (KSEK)                 | Jul-Sep       |               |            | Jan-Sep       |                |             | Jan-Dec        |
|------------------------|---------------|---------------|------------|---------------|----------------|-------------|----------------|
|                        | 2022          | 2021          | %          | 2022          | 2021           | %           | 2021           |
| Germany                | 19,983        | 18,031        | 11%        | 60,082        | 74,159         | -19%        | 108,699        |
| Other direct sales     | 4,221         | 3,514         | 20%        | 14,941        | 12,427         | 20%         | 19,062         |
| Distributor markets    | 2,333         | 6,732         | -65%       | 12,038        | 26,201         | -54%        | 31,391         |
| <b>Total net sales</b> | <b>26,537</b> | <b>28,277</b> | <b>-6%</b> | <b>87,061</b> | <b>112,787</b> | <b>-23%</b> | <b>159,152</b> |



## Sales by area, rolling 12 months



### Gross profit and margin

Gross profit for the quarter was KSEK 18,445 (19,120), equivalent to a gross margin of 70 (68) percent. The increase is mainly an effect of higher prices in the quarter compared to the third quarter last year and lower freight costs.

Gross profit for the interim period was KSEK 60,330 (73,917), equivalent to a gross margin of 69 (66) percent. The increase is mainly an effect of lower freight costs compared to last year.

### Selling expenses

Selling expenses for the quarter totalled KSEK -30,880 (-20,063), equivalent to an increase of 54 percent. The increase is mainly due to costs in connection with preparations for expansion of the commercial organisation in the United States, but also commenced amortisation relating to the EU registration project, amounting to around MSEK 3 per quarter.

Selling expenses for the interim period totalled KSEK -85,136 (-66,817), equivalent to an increase of 27 percent. The increase is mainly due to costs in connection with preparations for expansion of the commercial organisation in the United States, but also commenced amortisation relating to the EU registration project.

### Administrative expenses

Administrative expenses for the quarter totalled KSEK -14,126 (-10,035), equivalent to an increase of 41 percent. The higher expenses are of a non-recurring nature and relate mainly to work on the change of listing from Nasdaq First North Growth Market to the main list Nasdaq Main Market Stockholm.

Administrative expenses for the interim period totalled KSEK -40,567 (-35,840), equivalent to an increase of 13 percent. The higher expenses are of a non-recurring nature and are largely related to work on the change of listing from Nasdaq First North Growth Market to the main list Nasdaq Main Market Stockholm but also, to some extent low personnel expenses in the third quarter last year as a result of personnel changes.

### Research and development expenses

Research and development expenses for the quarter totalled KSEK -4,599 (-4,809), equivalent to a decrease of 4 percent. The decrease is mainly due to lower personnel costs related to vacations.

Research and development expenses for the interim period totalled KSEK -14,796 (-13,683), equivalent to an increase of 8 percent. The increase is mainly due to higher regulatory expenses related to sale of pharmaceutical products rather than solely medical devices, as previously.

### Other operating income/expenses

Other operating income mainly consists of positive unrealised exchange rate differences on operating items. These totalled KSEK 5,631 (198) for the quarter. For the interim period other operating income was KSEK 9,348 (3,113).

Other operating expenses mainly consist of negative unrealised exchange rate differences on operating items. These totalled KSEK -5,239 (-489) for the quarter. For the interim period other operating expenses were KSEK -11,820 (-3,500).

### Net financial items and earnings per share

Net financial items for the quarter totalled KSEK 21,456 (1,838) and consist mainly of unrealised exchange rate differences on cash and cash invested in USD. Net financial items for the interim period was KSEK 45,482 (2,550). Group tax expense for the quarter was KSEK -112 (-681) and consists mainly of current tax in Germany. For the interim period group tax expense was KSEK -407 (-913). Consequently, earnings per share amounted to SEK -0.08 (-0.17) for the quarter and SEK -0.38 (-0.45) for the interim period.

## Capitalised development expenditures

Capitalised development expenditures as of September 30 amounted to SEK 366,605 thousand compared to SEK 268,201 thousand 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 inhalation sedation. The amount also includes expenses related to the clinical studies that have begun in the United States preparing for a future market approval in the United States. The increase compared to the beginning of the year amounts to 98,404 KSEK and mainly relates to investments in clinical studies and registration work for Sedaconda ACD and Sedaconda (isoflurane) in the USA as well as investments regarding the company's pediatric study IsoCOMFORT (SED002).

## Inventory

As of September 30, inventory amounted to SEK 34,976,000 compared to SEK 11,093,000 at the beginning of the year. The increase during the interim period amounted to 23,883 KSEK and is mainly due to inventory build-up prior to the launch of Sedaconda (isoflurane), which takes place country by country after the European market approval that was received at the end of 2021.

## Equity and debt

Adjusted for the share split made in May 2021 and including the new share issue made in December 2021, equity at 30 September was KSEK 1,065,978, compared to KSEK 1,101,456 at the beginning of the year. This corresponds to SEK 10.73 (5.55) per share. Equity/assets ratio was 95 percent, compared to 94 percent at the beginning of the year. Debt/equity ratio at 30 September was 5 percent, compared to 6 percent at the beginning of the year. The Group had no long-term debt at 30 September.

## Cash and cash position

Cash and cash equivalents decreased by KSEK 46,816 during the quarter and totalled KSEK 675,575 on September 30th, compared to KSEK 722,391 at the beginning of the quarter. Cash flow from operating activities before changes in working capital for the quarter was KSEK -29,823 (-14,299). Cash flow from changes in working capital totalled KSEK 3,082 (-237), which was positively impacted during the quarter mainly by payments of accounts receivable but also by repayments of input VAT. Cash flow from operating activities thus totalled KSEK -26,741 (-14,536).

Cash flow from investing activities for the quarter totalled KSEK -39,502 (-32,671). The 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 totalled KSEK -1,126 (-924) and relates to amortisation of lease liabilities.

Translation differences in cash and cash equivalents amounted to SEK 20,553,000 during the quarter and are mainly related to cash and cash equivalents invested in USD. Cash flow per share for the quarter was SEK -0.68 (-0.52).

During the interim period, cash and cash equivalents decreased by KSEK 160,606. Cash flow from operating activities before changes in working capital was KSEK -71,203 (-36,557) for the interim period. Cash flow from changes in working capital totalled KSEK -21,670 (-3,099) and was negatively impacted during the interim period by increased inventory levels but also by lower levels of liabilities. Cash flow from operating activities thus totalled KSEK -92,873 (-39,656).

Cash flow from investing activities totalled KSEK -110,469 (-76,871). The 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 totalled KSEK -324 (-819) and is mainly related to payments regarding the warrant programme launched in May at the time of the Annual General Meeting, as well as amortisation of lease liabilities.

Translation differences in cash and cash equivalents for the interim period amounted to KSEK 43,060 and are mainly related to cash and cash equivalents invested in USD. Cash flow per share for the interim period was SEK -2.05 (-1.27).

## Parent company

The Parent Company's net sales for the interim period totalled KSEK 86,959 (112,280), of which intra-group sales were KSEK 4,605 (4,199).

Operating income for the period totalled KSEK -75,484 (-38,860). Net financial items were KSEK 46,094 (3,710) and relate mainly to unrealised exchange gains on cash balances in foreign currencies, mainly USD.

Shareholders' equity in the Parent Company totalled KSEK 1,080,882 at 30 September 2022, compared to KSEK 1,106,528 at the beginning of the year. This corresponds to a decrease of KSEK 25,646. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents totalled KSEK 659,789, compared to KSEK 816,279 at the beginning 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 third quarter was SEK 2,430 million.

The price paid for Sedana Medical shares was SEK 98.05 at the start of the year and SEK 24.46 at the end of the quarter. The lowest closing price for the interim period was recorded on 15 July and was SEK 21.04. The highest closing price was recorded on 3 January and was SEK 95.60.

### Share information

|   | Jul-Sep    |            | Jan-Sep    |            | Jan-Dec    |
|---|------------|------------|------------|------------|------------|
|   | 2022       | 2021       | 2022       | 2021       | 2021       |
| Net income, KSEK                        | -7,445     | -14,921    | -37,566    | -41,173    | -57,966    |
| Cash flow, KSEK                         | -67,369    | -48,131    | -203,666   | -117,346   | 453,595    |
| Number of shares at balance date        | 99,336,960 | 92,186,960 | 99,336,960 | 92,186,960 | 99,336,960 |
| Average number of shares                | 99,336,960 | 92,186,960 | 99,336,960 | 92,186,960 | 92,774,631 |
| Outstanding warrants at balance date    | 1,326,444  | 547,272    | 1,326,444  | 547,272    | 513,368    |
| Average number of warrants              | 1,326,444  | 547,272    | 919,906    | 473,046    | 456,094    |
| Share capital at balance date, KSEK     | 2,483      | 2,305      | 2,483      | 2,305      | 2,483      |
| Equity at balance date, KSEK            | 1,065,978  | 511,424    | 1,065,978  | 511,424    | 1,101,456  |
| Earnings per share before dilution, SEK | -0.08      | -0.17      | -0.38      | -0.45      | -0.62      |
| Earnings per share after dilution, SEK  | -0.08      | -0.17      | -0.38      | -0.45      | -0.62      |
| Equity per share, SEK                   | 10.73      | 5.55       | 10.73      | 5.55       | 11.09      |
| Cash flow per share, SEK                | -0.68      | -0.52      | -2.05      | -1.27      | 4.89       |

### 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%          |
| Handelsbanken Funds                                | 9,474,757         | 9.5%          |
| Anders Walldov direct and indirect (Brohuvudet AB) | 8,500,000         | 8.6%          |
| Ola Magnusson direct and indirect (Magiola AB)     | 4,552,098         | 4.6%          |
| Sten Gibeck  | 4,286,276         | 4.3%          |
| Öhman Funds  | 4,139,985         | 4.2%          |
| Berenberg Funds                                    | 2,714,675         | 2.7%          |
| Highclere International Investors LLP              | 2,640,192         | 2.7%          |
| AMF Pension  | 2,491,000         | 2.5%          |
| Third Swedish National Pensis Fund                 | 1,735,989         | 1.7%          |
| Tedsalus AB (Thomas Eklund)                        | 1,666,464         | 1.7%          |
| Bank of Norway                                     | 1,505,677         | 1.5%          |
| Coeli  | 1,202,968         | 1.2%          |
| Philip Earle                                       | 1,094,491         | 1.1%          |
| Fifteen largest shareholders                       | 65,634,615        | 66.1%         |
| Others   | 33,702,345        | 33.9%         |
| <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 Sep 30, 2022  
99 336 960

Market cap as per Sep 30, 2022  
SEK 2 430 million

Ticker  
SEDANA

ISIN  
SE0015988373

LEI-kod  
549300FQ3NJRI56LCX32

## Certification from the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that this interim 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 25 October 2022

Thomas Eklund  
Chairman of the Board

Claus Bjerre  
Deputy chairman

Hilde Furberg  
Board member

Ola Magnusson  
Board member

Eva Walde  
Board member

Christoffer Rosenblad  
Board member

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.

## Contacts and invitation to presentation

Johannes Doll, President and CEO, +46 76 303 66 66  
Johan Spetz, CFO, +46 73 036 37 89  
[ir@sedanamedical.com](mailto:ir@sedanamedical.com)

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 interim report

Sedana Medical presents the interim report to investors, asset managers, analysts and media on 25 October 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: <https://ir.financialhearings.com/sedana-medical-q3-2022>

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

## Nomination committee for the 2023 Annual General Meeting

Sedana Medical's Nomination Committee for the 2023 Annual General Meeting has been appointed and consists of Thomas Eklund, Chairman of the Board, Karl Tobieson, appointed by Linc AB, Malin Björkmo, appointed by Handelsbanken Fonder and Jan Andersson, appointed by Swedbank Robur Fonder. The Nomination Committee together represents 29.3 percent of the voting rights for all voting shares in the company as of September 30, 2022. The Nomination Committee shall submit proposals for resolution by the 2023 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 20, 2023, to be included in the notice to attend and the agenda for the annual general meeting.

## Financial calendar

|                        |                  |
|------------------------|------------------|
| Year-End Report 2022   | 16 February 2023 |
| Annual Report 2022     | 3 April 2023     |
| Interim Report Q1 2023 | 27 April 2023    |
| Interim Report Q2 2023 | 21 July 2023     |
| Interim Report Q3 2023 | 26 October 2023  |

# 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 2022 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 25, 2022

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorized Public Accountant

## Consolidated income statement, summary

| (KSEK)  | Jul-Sep        |                | Jan-Sep        |                | Jan-Dec        |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2022           | 2021           | 2022           | 2021           | 2021           |
| Net sales   | 26,537         | 28,277         | 87,061         | 112,787        | 159,152        |
| Cost of goods sold  | -8,092         | -9,157         | -26,731        | -38,870        | -52,446        |
| <b>Gross profit</b>   | <b>18,445</b>  | <b>19,120</b>  | <b>60,330</b>  | <b>73,917</b>  | <b>106,706</b> |
| Selling expenses  | -30,880        | -20,063        | -85,136        | -66,817        | -96,573        |
| Administrative expenses   | -14,126        | -10,035        | -40,567        | -35,840        | -51,736        |
| Research and development expenses   | -4,599         | -4,809         | -14,796        | -13,683        | -19,704        |
| Other operating income  | 5,631          | 198            | 9,348          | 3,113          | 4,013          |
| Other operating expenses  | -5,239         | -489           | -11,820        | -3,500         | -4,199         |
| <b>Operating income</b>   | <b>-30,768</b> | <b>-16,078</b> | <b>-82,641</b> | <b>-42,810</b> | <b>-61,493</b> |
| <b>Financial items</b>  |                |                |                |                |                |
| Financial income  | 23,835         | 1,906          | 46,654         | 3,251          | 11,285         |
| Financial expenses  | -400           | -68            | -1,172         | -701           | -7,163         |
| <b>Net financial items</b>  | <b>23,435</b>  | <b>1,838</b>   | <b>45,482</b>  | <b>2,550</b>   | <b>4,122</b>   |
| <b>Income before taxes</b>  | <b>-7,333</b>  | <b>-14,240</b> | <b>-37,159</b> | <b>-40,260</b> | <b>-57,371</b> |
| Tax   | -112           | -681           | -407           | -913           | -595           |
| <b>Net income</b>   | <b>-7,445</b>  | <b>-14,921</b> | <b>-37,566</b> | <b>-41,173</b> | <b>-57,966</b> |
| Earnings per share, based on earnings attributable to the parent company's ordinary shareholders: |                |                |                |                |                |
| Before dilution   | -0.08          | -0.17          | -0.38          | -0.45          | -0.62          |
| After dilution  | -0.08          | -0.17          | -0.38          | -0.45          | -0.62          |
| <b>EBITDA</b>   | <b>-25,108</b> | <b>-14,013</b> | <b>-65,495</b> | <b>-36,604</b> | <b>-50,093</b> |
| Amortisation of intangible assets   | -3,870         | -429           | -11,746        | -1,280         | -4,720         |
| Depreciation of tangible assets   | -1,790         | -1,636         | -5,400         | -4,926         | -6,680         |
| <b>Operating income (EBIT)</b>  | <b>-30,768</b> | <b>-16,078</b> | <b>-82,641</b> | <b>-42,810</b> | <b>-61,493</b> |

## Consolidated statement of other comprehensive income, summary

| (KSEK)   | Jul-Sep       |                | Jan-Sep        |                | Jan-Dec        |
|--|---------------|----------------|----------------|----------------|----------------|
|  | 2022          | 2021           | 2022           | 2021           | 2021           |
| <b>Net income</b>  | <b>-7,445</b> | <b>-14,921</b> | <b>-37,566</b> | <b>-41,173</b> | <b>-57,966</b> |
| <b>Other comprehensive income</b>  |               |                |                |                |                |
| <b>Items that can later be reclassified to the income statement:</b>                           |               |                |                |                |                |
| Translation differences from foreign operations  | -743          | -143           | -1,953         | -257           | -322           |
| <b>Other comprehensive income, net after tax</b>   | <b>-743</b>   | <b>-143</b>    | <b>-1,953</b>  | <b>-257</b>    | <b>-322</b>    |
| <b>Total comprehensive income</b>  | <b>-8,188</b> | <b>-15,064</b> | <b>-39,519</b> | <b>-41,430</b> | <b>-58,288</b> |
| <b>Total comprehensive income as a whole attributable to the parent company's shareholders</b> | <b>-8,188</b> | <b>-15,064</b> | <b>-39,519</b> | <b>-41,430</b> | <b>-58,288</b> |

## Consolidated balance sheet, summary

| (KSEK)                                   | Sep 30, 2022     | Sep 30, 2021   | Dec 31, 2021     |
|--|------------------|----------------|------------------|
| <b>ASSETS</b>                            |                  |                |                  |
| <b>Intangible assets</b>                 |                  |                |                  |
| Capitalised development expenditure      | 366,605          | 238,911        | 268,201          |
| Concessions, patents, licenses, etc.     | 2,672            | 2,099          | 1,786            |
| <b>Tangible assets</b>                   |                  |                |                  |
| Machinery and other technical facilities | 1,019            | 6,146          | 1,309            |
| Equipment, tools and installations       | 4,960            | 1,092          | 6,154            |
| Rights of use                            | 9,252            | 9,485          | 9,324            |
| <b>Financial assets</b>                  |                  |                |                  |
| Other long-term assets                   | 45               | 42             | 42               |
| <b>Deferred tax assets</b>               |                  |                |                  |
|  | <b>30</b>        | <b>21</b>      | <b>23</b>        |
| <b>Total fixed assets</b>                | <b>384,583</b>   | <b>257,796</b> | <b>286,839</b>   |
| Inventory                                | 34,976           | 12,075         | 11,093           |
| Tax receivables                          | 990              | 461            | 410              |
| Accounts receivable                      | 12,922           | 18,279         | 20,345           |
| Prepayments and accrued income           | 8,002            | 6,252          | 7,115            |
| Other receivables                        | 2,496            | 4,035          | 5,597            |
| Cash and cash equivalents                | 675,575          | 261,505        | 836,181          |
| <b>Total current assets</b>              | <b>734,961</b>   | <b>302,607</b> | <b>880,741</b>   |
| <b>TOTAL ASSETS</b>                      | <b>1,119,544</b> | <b>560,403</b> | <b>1,167,580</b> |

| (KSEK)  | Sep 30, 2022     | Sep 30, 2021   | Dec 31, 2021     |
|---|------------------|----------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                                   |                  |                |                  |
| <b>Equity</b>   |                  |                |                  |
| Share capital   | 2,483            | 2,305          | 2,483            |
| Other contributed capital                                       | 1,226,436        | 615,683        | 1,222,395        |
| Translation difference  | -1,769           | 249            | 184              |
| Retained earnings including net profit                          | -161,172         | -106,813       | -123,606         |
| <b>Equity attributable to the parent company's shareholders</b> | <b>1,065,978</b> | <b>511,424</b> | <b>1,101,456</b> |
| <b>Non-current liabilities</b>                                  |                  |                |                  |
| Leasing liabilities   | 3,684            | 5,041          | 4,642            |
| <b>Total non-current liabilities</b>                            | <b>3,684</b>     | <b>5,041</b>   | <b>4,642</b>     |
| <b>Current liabilities</b>                                      |                  |                |                  |
| Leasing liabilities   | 5,059            | 3,987          | 4,232            |
| Accounts payable  | 3,215            | 13,156         | 15,036           |
| Tax debt  | 2,597            | 3,981          | 3,997            |
| Other liabilities   | 4,916            | 6,972          | 18,473           |
| Accrued expenses and deferred income                            | 34,095           | 15,842         | 19,744           |
| <b>Total current liabilities</b>                                | <b>49,882</b>    | <b>43,938</b>  | <b>61,482</b>    |
| <b>Total liabilities</b>  | <b>53,566</b>    | <b>48,979</b>  | <b>66,124</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>1,119,544</b> | <b>560,403</b> | <b>1,167,580</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, 2021</b>              | <b>2,305</b>  | <b>613,923</b>            | <b>506</b>             | <b>-65,640</b>                         | <b>551,094</b> |
| Net income  | -             | -                         | -                      | -41,173                                | -41,173        |
| Other comprehensive income                        | -             | -                         | -257                   | -                                      | -257           |
| <b>Total comprehensive income</b>                 | <b>-</b>      | <b>-</b>                  | <b>-257</b>            | <b>-41,173</b>                         | <b>-41,430</b> |
| <b>Transactions with the Group's owners</b>       |               |                           |                        |  |                |
| Received premium for warrant subscription         | -             | 1,760                     | -                      | -                                      | 1,760          |
| <b>Total transactions with the Group's owners</b> | <b>-</b>      | <b>1,760</b>              | <b>-</b>               | <b>-</b>                               | <b>1,760</b>   |
| <b>Closing equity at Sep 30, 2021</b>             | <b>2,305</b>  | <b>615,683</b>            | <b>249</b>             | <b>-106,813</b>                        | <b>511,424</b> |

| (KSEK)  | Share capital | Other contributed capital | Translation difference | Retained earnings including net profit | 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            |
| Repurchase of warrants                            | -             | -97                       | -                      | -                                      | -97              |
| Costs related to warrant programme                | -             | -490                      | -                      | -                                      | -490             |
| <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> |



## Consolidated cash flow statement, summary

| (KSEK)   | Jul-Sep        |                | Jan-Sep         |                 | Jan-Dec         |
|--|----------------|----------------|-----------------|-----------------|-----------------|
|  | 2022           | 2021           | 2022            | 2021            | 2021            |
| <b>Operating activities</b>  |                |                |                 |                 |                 |
| Operating income   | -30,768        | -16,078        | -82,641         | -42,810         | -61,493         |
| <i>Adjustments for non-cash items</i>  |                |                |                 |                 |                 |
| Depreciations and amortisations  | 5,660          | 2,065          | 17,146          | 6,206           | 11,400          |
| Exchange rate differences  | -4,547         | -261           | -6,287          | -1,594          | -4,080          |
| Other non-cash items   | 0              | 108            | 1,152           | 1,891           | 1,927           |
| Interest received  | 1              | 0              | 2               | 0               | 0               |
| Interest paid  | -57            | -62            | -181            | -178            | -243            |
| Taxes paid   | -112           | -71            | -394            | -72             | -320            |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-29,823</b> | <b>-14,299</b> | <b>-71,203</b>  | <b>-36,557</b>  | <b>-52,809</b>  |
| <i>Cash flow from changes in working capital</i>                             |                |                |                 |                 |                 |
| Cash flow from inventories   | -2,618         | -1,362         | -23,883         | -3,278          | -2,296          |
| Cash flow from operating receivables   | 5,953          | -650           | 10,860          | 1,889           | -2,169          |
| Cash flow from operating liabilities   | -253           | 1,775          | -8,647          | -1,710          | 16,053          |
| <b>Cash flow from operating activities</b>                                   | <b>-26,741</b> | <b>-14,536</b> | <b>-92,873</b>  | <b>-39,656</b>  | <b>-41,221</b>  |
| <b>Investing activities</b>  |                |                |                 |                 |                 |
| Investments in intangible assets   | -39,382        | -32,176        | -109,763        | -72,684         | -105,063        |
| Investments in tangible assets   | -120           | -495           | -706            | -4,187          | -5,192          |
| <b>Cash flow from investing activities</b>                                   | <b>-39,502</b> | <b>-32,671</b> | <b>-110,469</b> | <b>-76,871</b>  | <b>-110,255</b> |
| <b>Financing activities</b>  |                |                |                 |                 |                 |
| New share issue  | -              | -              | -               | -               | 614,900         |
| Issue expenses   | -              | -              | -               | -               | -7,946          |
| Amortisation of leasing liabilities  | -1,126         | -924           | -3,327          | -2,579          | -3,579          |
| Received premium for warrant subscription                                    | -              | -              | 3,590           | 1,760           | 1,696           |
| Repurchase of warrants   | -              | -              | -97             | -               | -               |
| Costs related to warrant programme   | -              | -              | -490            | -               | -               |
| <b>Cash flow from financing activities</b>                                   | <b>-1,126</b>  | <b>-924</b>    | <b>-324</b>     | <b>-819</b>     | <b>605,071</b>  |
| <b>Cash flow for the period</b>  | <b>-67,369</b> | <b>-48,131</b> | <b>-203,666</b> | <b>-117,346</b> | <b>453,595</b>  |
| Cash and cash equivalents at the beginning of the period                     | <b>722,391</b> | <b>307,785</b> | <b>836,181</b>  | <b>376,171</b>  | <b>376,171</b>  |
| Translation difference   | 20,553         | 1,851          | 43,060          | 2,680           | 6,415           |
| Cash and cash equivalents at the end of the period                           | <b>675,575</b> | <b>261,505</b> | <b>675,575</b>  | <b>261,505</b>  | <b>836,181</b>  |

## Consolidated quarterly summary, income statement

| (KSEK)                                    | 2021           |                |                |                | 2022           |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Quarter 1      | Quarter 2      | Quarter 3      | Quarter 4      | Quarter 1      | Quarter 2      | Quarter 3      |
| Net sales                                 | 45,000         | 39,510         | 28,277         | 46,365         | 33,654         | 26,870         | 26,537         |
| Cost of goods sold                        | -16,395        | -13,318        | -9,157         | -13,576        | -10,664        | -7,975         | -8,092         |
| <b>Gross profit</b>                       | <b>28,605</b>  | <b>26,192</b>  | <b>19,120</b>  | <b>32,789</b>  | <b>22,990</b>  | <b>18,895</b>  | <b>18,445</b>  |
| <i>Gross margin</i>                       | 64%            | 66%            | 68%            | 71%            | 68%            | 70%            | 70%            |
| Selling expenses                          | -20,853        | -25,901        | -20,063        | -29,756        | -26,597        | -27,659        | -30,880        |
| Administration costs                      | -13,611        | -12,194        | -10,035        | -15,896        | -12,561        | -13,880        | -14,126        |
| Research and development costs            | -4,173         | -4,701         | -4,809         | -6,021         | -5,314         | -4,883         | -4,599         |
| Other operating income                    | 2,272          | 643            | 198            | 900            | 1,841          | 1,876          | 5,631          |
| Other operating expenses                  | -2,602         | -409           | -489           | -699           | -2,420         | -4,161         | -5,239         |
| <b>Operating income</b>                   | <b>-10,362</b> | <b>-16,370</b> | <b>-16,078</b> | <b>-18,683</b> | <b>-22,061</b> | <b>-29,812</b> | <b>-30,768</b> |
| <i>Operating margin</i>                   | -23%           | -41%           | -57%           | -40%           | -66%           | -111%          | -116%          |
| Financial income                          | 1,651          | -306           | 1,906          | 8,034          | 3,455          | 19,364         | 23,835         |
| Financial expenses                        | -147           | -486           | -68            | -6,462         | -220           | -552           | -400           |
| <b>Net financial items</b>                | <b>1,504</b>   | <b>-792</b>    | <b>1,838</b>   | <b>1,572</b>   | <b>3,235</b>   | <b>18,812</b>  | <b>23,435</b>  |
| <b>Income before taxes</b>                | <b>-8,858</b>  | <b>-17,162</b> | <b>-14,240</b> | <b>-17,111</b> | <b>-18,826</b> | <b>-11,000</b> | <b>-7,333</b>  |
| Tax                                       | -105           | -127           | -681           | 318            | -147           | -148           | -112           |
| <b>Net income</b>                         | <b>-8,963</b>  | <b>-17,289</b> | <b>-14,921</b> | <b>-16,793</b> | <b>-18,973</b> | <b>-11,148</b> | <b>-7,445</b>  |
| <b>Operating income (EBIT)</b>            | <b>-10,362</b> | <b>-16,370</b> | <b>-16,078</b> | <b>-18,683</b> | <b>-22,061</b> | <b>-29,812</b> | <b>-30,768</b> |
| Whereof depreciation of intangible assets | -425           | -426           | -429           | -3,440         | -3,806         | -4,070         | -3,870         |
| Whereof depreciation of tangible assets   | -1,629         | -1,661         | -1,636         | -1,754         | -1,811         | -1,799         | -1,790         |
| <b>EBITDA</b>                             | <b>-8,308</b>  | <b>-14,283</b> | <b>-14,013</b> | <b>-13,489</b> | <b>-16,444</b> | <b>-23,943</b> | <b>-25,108</b> |
| <i>EBITDA margin</i>                      | -18%           | -36%           | -50%           | -29%           | -49%           | -89%           | -95%           |

| (KSEK)                 | 2021          |               |               |               | 2022          |               |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | Quarter 1     | Quarter 2     | Quarter 3     | Quarter 4     | Quarter 1     | Quarter 2     | Quarter 3     |
| Germany                | 28,531        | 27,597        | 18,031        | 34,540        | 22,384        | 17,715        | 19,983        |
| Other direct sales     | 5,038         | 3,875         | 3,514         | 6,635         | 5,625         | 5,095         | 4,221         |
| Distributor markets    | 11,431        | 8,038         | 6,732         | 5,190         | 5,645         | 4,060         | 2,333         |
| <b>Total net sales</b> | <b>45,000</b> | <b>39,510</b> | <b>28,277</b> | <b>46,365</b> | <b>33,654</b> | <b>26,870</b> | <b>26,537</b> |

## Consolidated quarterly summary, balance sheet

| (KSEK)  | 2021           |                |                |                  | 2022             |                  |                  |
|---|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
|   | Quarter 1      | Quarter 2      | Quarter 3      | Quarter 4        | Quarter 1        | Quarter 2        | Quarter 3        |
| <b>ASSETS</b>   |                |                |                |                  |                  |                  |                  |
| <b>Intangible assets</b>  |                |                |                |                  |                  |                  |                  |
| Capitalised development expenditure                             | 184,591        | 206,795        | 238,911        | 268,201          | 295,391          | 330,774          | 366,605          |
| Concessions, patents, licenses, etc.                            | 2,718          | 2,351          | 2,099          | 1,786            | 2,595            | 2,523            | 2,672            |
| <b>Tangible assets</b>  |                |                |                |                  |                  |                  |                  |
| Machinery and other technical facilities                        | 7,151          | 6,362          | 6,146          | 1,309            | 1,195            | 1,102            | 1,019            |
| Equipment, tools and installations                              | 1,149          | 1,172          | 1,092          | 6,154            | 5,984            | 5,502            | 4,960            |
| Rights of use   | 9,067          | 9,667          | 9,485          | 9,324            | 10,344           | 9,876            | 9,252            |
| <b>Financial assets</b>   |                |                |                |                  |                  |                  |                  |
| Other long-term assets  | 42             | 42             | 42             | 42               | 42               | 44               | 45               |
| <b>Deferred tax assets</b>                                      |                |                |                |                  |                  |                  |                  |
|   | <b>83</b>      | <b>31</b>      | <b>21</b>      | <b>23</b>        | <b>26</b>        | <b>28</b>        | <b>30</b>        |
| <b>Total fixed assets</b>                                       | <b>204,801</b> | <b>226,420</b> | <b>257,796</b> | <b>286,839</b>   | <b>315,577</b>   | <b>349,849</b>   | <b>384,583</b>   |
| Inventory   | 11,739         | 10,714         | 12,075         | 11,093           | 18,498           | 32,358           | 34,976           |
| Tax receivables   | 464            | 457            | 461            | 410              | 712              | 720              | 990              |
| Accounts receivable   | 17,525         | 18,458         | 18,279         | 20,345           | 15,187           | 14,441           | 12,922           |
| Prepayments and accrued income                                  | 6,364          | 5,881          | 6,252          | 7,115            | 7,771            | 8,028            | 8,002            |
| Other receivables   | 3,287          | 3,276          | 4,035          | 5,597            | 4,999            | 5,021            | 2,496            |
| Cash and cash equivalents                                       | 343,619        | 307,785        | 261,505        | 836,181          | 778,617          | 722,391          | 675,575          |
| <b>Total current assets</b>                                     | <b>382,998</b> | <b>346,571</b> | <b>302,607</b> | <b>880,741</b>   | <b>825,784</b>   | <b>782,959</b>   | <b>734,961</b>   |
| <b>TOTAL ASSETS</b>   | <b>587,799</b> | <b>572,991</b> | <b>560,403</b> | <b>1,167,580</b> | <b>1,141,361</b> | <b>1,132,808</b> | <b>1,119,544</b> |
| <b>EQUITY AND LIABILITIES</b>                                   |                |                |                |                  |                  |                  |                  |
| <b>Equity</b>   |                |                |                |                  |                  |                  |                  |
| Share capital   | 2,305          | 2,305          | 2,305          | 2,483            | 2,483            | 2,483            | 2,483            |
| Other contributed capital                                       | 615,683        | 615,683        | 615,683        | 1,222,395        | 1,222,298        | 1,226,436        | 1,226,436        |
| Translation difference  | 211            | 392            | 249            | 184              | 1                | -1,026           | -1,769           |
| Retained earnings including net profit                          | -74,603        | -91,892        | -106,813       | -123,606         | -142,579         | -153,727         | -161,172         |
| <b>Equity attributable to the parent company's shareholders</b> | <b>543,596</b> | <b>526,488</b> | <b>511,424</b> | <b>1,101,456</b> | <b>1,082,203</b> | <b>1,074,166</b> | <b>1,065,978</b> |
| <b>Non-current liabilities</b>                                  |                |                |                |                  |                  |                  |                  |
| Leasing liabilities   | 5,224          | 5,414          | 5,041          | 4,642            | 5,059            | 4,489            | 3,684            |
| <b>Total non-current liabilities</b>                            | <b>5,224</b>   | <b>5,414</b>   | <b>5,041</b>   | <b>4,642</b>     | <b>5,059</b>     | <b>4,489</b>     | <b>3,684</b>     |
| <b>Current liabilities</b>                                      |                |                |                |                  |                  |                  |                  |
| Leasing liabilities   | 3,355          | 3,779          | 3,987          | 4,232            | 4,805            | 4,902            | 5,059            |
| Accounts payable  | 10,288         | 12,577         | 13,156         | 15,036           | 12,927           | 10,230           | 3,215            |
| Tax debt  | 2,705          | 2,949          | 3,981          | 3,997            | 2,655            | 3,548            | 2,597            |
| Other liabilities   | 9,432          | 7,038          | 6,972          | 18,473           | 11,676           | 6,425            | 4,916            |
| Accrued expenses and deferred income                            | 13,199         | 14,746         | 15,842         | 19,744           | 22,036           | 29,048           | 34,095           |
| <b>Total current liabilities</b>                                | <b>38,979</b>  | <b>41,089</b>  | <b>43,938</b>  | <b>61,482</b>    | <b>54,099</b>    | <b>54,153</b>    | <b>49,882</b>    |
| <b>Total liabilities</b>  | <b>44,203</b>  | <b>46,503</b>  | <b>48,979</b>  | <b>66,124</b>    | <b>59,158</b>    | <b>58,642</b>    | <b>53,566</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>587,799</b> | <b>572,991</b> | <b>560,403</b> | <b>1,167,580</b> | <b>1,141,361</b> | <b>1,132,808</b> | <b>1,119,544</b> |

## Consolidated quarterly summary, cash flow statement

| (KSEK)   | 2021           |                |                |                | 2022           |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | Quarter 1      | Quarter 2      | Quarter 3      | Quarter 4      | Quarter 1      | Quarter 2      | Quarter 3      |
| <b>Operating activities</b>  |                |                |                |                |                |                |                |
| Operating income   | -10,362        | -16,370        | -16,078        | -18,683        | -22,061        | -29,812        | -30,768        |
| <b>Adjustments for non-cash items</b>  |                |                |                |                |                |                |                |
| Depreciations and amortisations  | 2,054          | 2,087          | 2,065          | 5,194          | 5,617          | 5,869          | 5,660          |
| Exchange rate differences  | -1,435         | 102            | -261           | -2,486         | 236            | -1,976         | -4,547         |
| Other non-cash items   | 1,131          | 652            | 108            | 36             | 114            | 1,038          | 0              |
| Interest received  | 0              | 0              | 0              | 0              | 0              | 1              | 1              |
| Interest paid  | -50            | -66            | -62            | -65            | -63            | -61            | -57            |
| Taxes paid   | -189           | 188            | -71            | -248           | -131           | -151           | -112           |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-8,851</b>  | <b>-13,407</b> | <b>-14,299</b> | <b>-16,252</b> | <b>-16,288</b> | <b>-25,092</b> | <b>-29,823</b> |
| <b>Cash flow from changes in working capital</b>                             |                |                |                |                |                |                |                |
| Cash flow from inventories   | -2,942         | 1,026          | -1,362         | 982            | -6,346         | -14,919        | -2,618         |
| Cash flow from operating receivables   | 4,053          | -1,514         | -650           | -4,058         | 3,135          | 1,772          | 5,953          |
| Cash flow from operating liabilities   | -5,570         | 2,085          | 1,775          | 17,763         | -8,028         | -366           | -253           |
| <b>Cash flow from operating activities</b>                                   | <b>-13,310</b> | <b>-11,810</b> | <b>-14,536</b> | <b>-1,565</b>  | <b>-27,527</b> | <b>-38,605</b> | <b>-26,741</b> |
| <b>Investing activities</b>  |                |                |                |                |                |                |                |
| Investments in intangible assets   | -18,096        | -22,412        | -32,176        | -32,379        | -31,660        | -38,721        | -39,382        |
| Investments in tangible assets   | -2,982         | -710           | -495           | -1,005         | -485           | -101           | -120           |
| <b>Cash flow from investing activities</b>                                   | <b>-21,078</b> | <b>-23,122</b> | <b>-32,671</b> | <b>-33,384</b> | <b>-32,145</b> | <b>-38,822</b> | <b>-39,502</b> |
| <b>Financing activities</b>  |                |                |                |                |                |                |                |
| New share issue  | -              | -              | -              | 614,900        | -              | -              | 0              |
| Issue expenses   | -              | -              | -              | -7,946         | -              | -              | 0              |
| Amortisation of leasing liabilities  | -814           | -841           | -924           | -1,000         | -1,107         | -1,094         | -1,126         |
| Received premium for warrant subscription                                    | 1,760          | -              | -              | -64            | -              | 3,590          | 0              |
| Repurchase of warrants   | -              | -              | -              | -              | -97            | -              | 0              |
| Costs related to warrant programme   | -              | -              | -              | -              | -              | -490           | 0              |
| <b>Cash flow from financing activities</b>                                   | <b>946</b>     | <b>-841</b>    | <b>-924</b>    | <b>605,890</b> | <b>-1,204</b>  | <b>2,006</b>   | <b>-1,126</b>  |
| <b>Cash flow for the period</b>  | <b>-33,442</b> | <b>-35,773</b> | <b>-48,131</b> | <b>570,941</b> | <b>-60,876</b> | <b>-75,421</b> | <b>-67,369</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>376,171</b> | <b>343,619</b> | <b>307,785</b> | <b>261,505</b> | <b>836,181</b> | <b>778,617</b> | <b>722,391</b> |
| Translation difference   | 890            | -61            | 1,851          | 3,735          | 3,312          | 19,195         | 20,553         |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>343,619</b> | <b>307,785</b> | <b>261,505</b> | <b>836,181</b> | <b>778,617</b> | <b>722,391</b> | <b>675,575</b> |

## Parent company income statement, summary

| (KSEK)                                  | Jul-Sep        |                | Jan-Sep        |                | Jan-Dec        |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2022           | 2021           | 2022           | 2021           | 2021           |
| Net sales                               | 26,508         | 27,759         | 86,959         | 112,280        | 159,107        |
| Cost of goods sold                      | -7,526         | -11,783        | -24,402        | -36,205        | -49,662        |
| <b>Gross profit</b>                     | <b>18,982</b>  | <b>15,976</b>  | <b>62,557</b>  | <b>76,075</b>  | <b>109,445</b> |
| Selling expenses                        | -18,796        | -11,690        | -50,438        | -39,364        | -58,487        |
| Administration costs                    | -28,391        | -16,572        | -83,890        | -72,898        | -102,312       |
| Research and development costs          | -4,055         | -3,552         | -12,233        | -10,407        | -15,592        |
| Other operating income                  | 7,933          | 3,197          | 20,135         | 10,997         | 15,766         |
| Other operating expenses                | -5,313         | -1,990         | -11,615        | -3,263         | -3,981         |
| <b>Operating income</b>                 | <b>-29,640</b> | <b>-14,631</b> | <b>-75,484</b> | <b>-38,860</b> | <b>-55,161</b> |
| <b>Financial items</b>                  |                |                |                |                |                |
| Financial income                        | 24,008         | 2,247          | 47,052         | 4,239          | 12,621         |
| Financial expenses                      | -330           | -6             | -958           | -529           | -21,088        |
| <b>Net financial items</b>              | <b>23,678</b>  | <b>2,241</b>   | <b>46,094</b>  | <b>3,710</b>   | <b>-8,467</b>  |
| <b>Income after net financial items</b> | <b>-5,962</b>  | <b>-12,390</b> | <b>-29,390</b> | <b>-35,150</b> | <b>-63,628</b> |
| Group contribution                      | 0              | 0              | 0              | 0              | -1             |
| <b>Income before tax</b>                | <b>-5,962</b>  | <b>-12,390</b> | <b>-29,390</b> | <b>-35,150</b> | <b>-63,629</b> |
| Income tax                              | 0              | 0              | 0              | 0              | -              |
| <b>Net income</b>                       | <b>-5,962</b>  | <b>-12,390</b> | <b>-29,390</b> | <b>-35,150</b> | <b>-63,629</b> |

## Parent company statement of other comprehensive income, summary

| (KSEK)   | Jul-Sep       |                | Jan-Sep        |                | Jan-Dec        |
|--|---------------|----------------|----------------|----------------|----------------|
|  | 2022          | 2021           | 2022           | 2021           | 2021           |
| <b>Net income</b>  | <b>-5,962</b> | <b>-12,390</b> | <b>-29,390</b> | <b>-35,150</b> | <b>-63,629</b> |
| <b>Other comprehensive income</b>                                    |               |                |                |                |                |
| <b>Items that can later be reclassified to the income statement:</b> |               |                |                |                |                |
| Translation differences from foreign operations                      | -94           | -38            | -297           | -82            | -93            |
|  | <b>-94</b>    | <b>-38</b>     | <b>-297</b>    | <b>-82</b>     | <b>-93</b>     |
| <b>Other comprehensive income, net after tax</b>                     |               |                |                |                |                |
| <b>Total comprehensive income</b>                                    | <b>-6,056</b> | <b>-12,428</b> | <b>-29,687</b> | <b>-35,232</b> | <b>-63,722</b> |

## Parent company balance sheet, summary

| (KSEK)                                   | Sep 30, 2022     | Sep 30, 2021   | Dec 31, 2021     |
|--|------------------|----------------|------------------|
| <b>ASSETS</b>                            |                  |                |                  |
| <b>Intangible assets</b>                 |                  |                |                  |
| Capitalised development expenditure      | 345,091          | 226,706        | 253,928          |
| <b>Tangible assets</b>                   |                  |                |                  |
| Machinery and other technical facilities | 801              | 5,271          | 835              |
| Equipment, tools and installations       | 4,455            | 523            | 5,389            |
| <b>Financial assets</b>                  |                  |                |                  |
| Other long-term assets                   | 404              | 404            | 404              |
| Non-current receivables, group companies | 33,157           | 43,369         | 29,819           |
| <b>Total fixed assets</b>                | <b>383,908</b>   | <b>276,273</b> | <b>290,375</b>   |
| Inventory                                | 34,976           | 12,083         | 11,093           |
| Tax receivables                          | 5                | 5              | 4                |
| Accounts receivable                      | 11,493           | 16,960         | 17,934           |
| Receivables, group companies             | 40,444           | 11,869         | 19,158           |
| Prepayments and accrued income           | 7,123            | 5,973          | 5,721            |
| Other receivables                        | 1,943            | 2,081          | 4,336            |
| Cash and cash equivalents                | 659,789          | 245,632        | 816,279          |
| <b>Total current assets</b>              | <b>755,773</b>   | <b>294,603</b> | <b>874,525</b>   |
| <b>TOTAL ASSETS</b>                      | <b>1,139,681</b> | <b>570,876</b> | <b>1,164,900</b> |

| (KSEK)  | Sep 30, 2022     | Sep 30, 2021   | Dec 31, 2021     |
|---|------------------|----------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                                   |                  |                |                  |
| <b>Equity</b>   |                  |                |                  |
| <i>Restricted equity</i>  |                  |                |                  |
| Share capital   | 2,483            | 2,305          | 2,483            |
| Fund for capitalised development expenses                       | 338,777          | 220,864        | 246,451          |
| <i>Non-restricted equity</i>                                    |                  |                |                  |
| Share premium fund  | 1,226,436        | 615,683        | 1,222,395        |
| Retained earnings   | -457,424         | -275,574       | -301,172         |
| Net income  | -29,390          | -35,150        | -63,629          |
| <b>Equity attributable to the parent company's shareholders</b> | <b>1,080,882</b> | <b>528,128</b> | <b>1,106,528</b> |
| <b>Current liabilities</b>                                      |                  |                |                  |
| Accounts payable  | 2,990            | 12,891         | 13,662           |
| Liabilities to group companies                                  | 19,875           | 12,083         | 10,937           |
| Tax debt  | 2,071            | 1,754          | 2,118            |
| Other liabilities   | 3,602            | 5,046          | 16,027           |
| Accrued expenses and deferred income                            | 30,261           | 10,974         | 15,628           |
| <b>Total current liabilities</b>                                | <b>58,799</b>    | <b>42,748</b>  | <b>58,372</b>    |
| <b>Total liabilities</b>  | <b>58,799</b>    | <b>42,748</b>  | <b>58,372</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>1,139,681</b> | <b>570,876</b> | <b>1,164,900</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, 2021</b>  | <b>2,305</b>      | <b>154,405</b>                            | <b>613,923</b>        | <b>-209,033</b>                        | <b>561,600</b> |
| Net income  | -                 | -   | -                     | -35,150                                | -35,150        |
| Other comprehensive income  | -                 | -   | -                     | -82                                    | -82            |
| <b>Total comprehensive income</b>   | <b>-</b>          | <b>-</b>                                  | <b>-</b>              | <b>-35,232</b>                         | <b>-35,232</b> |
| <b>Changes in reported values that are reported directly against equity</b>       |                   |   |                       |  |                |
| Received premium for warrant subscription   | -                 | -   | 1,760                 | -                                      | 1,760          |
| <b>Total changes in reported values that are reported directly against equity</b> | <b>-</b>          | <b>-</b>                                  | <b>1,760</b>          | <b>-</b>                               | <b>1,760</b>   |
| <b>Reallocation between items in equity</b>                                       |                   |   |                       |  |                |
| Capitalised development expenses  | -                 | 66,459                                    | -                     | -66,459                                | -              |
| <b>Total reallocations</b>  | <b>-</b>          | <b>66,459</b>                             | <b>-</b>              | <b>-66,459</b>                         | <b>-</b>       |
| <b>Closing equity at Sep 30, 2021</b>   | <b>2,305</b>      | <b>220,864</b>                            | <b>615,683</b>        | <b>-310,724</b>                        | <b>528,128</b> |

|   | 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, 2022</b>  | <b>2,483</b>      | <b>246,451</b>                            | <b>1,222,395</b>      | <b>-364,801</b>                        | <b>1,106,528</b> |
| Net income  | -                 | -   | -                     | -29,390                                | -29,390          |
| Other comprehensive income  | -                 | -   | -                     | -297                                   | -297             |
| <b>Total comprehensive income</b>   | <b>-</b>          | <b>-</b>                                  | <b>-</b>              | <b>-29,687</b>                         | <b>-29,687</b>   |
| <b>Changes in reported values that are reported directly against equity</b>       |                   |   |                       |  |                  |
| Received premium for warrant subscription   | -                 | -   | 4,628                 | -                                      | 4,628            |
| Repurchase of warrants  | -                 | -   | -97                   | -                                      | -97              |
| Costs related to warrant programme  | -                 | -   | -490                  | -                                      | -490             |
| <b>Total changes in reported values that are reported directly against equity</b> | <b>-</b>          | <b>-</b>                                  | <b>4,041</b>          | <b>-</b>                               | <b>4,041</b>     |
| <b>Reallocation between items in equity</b>                                       |                   |   |                       |  |                  |
| Capitalised development expenses  | -                 | 92,326                                    | -                     | -92,326                                | -                |
| <b>Total reallocations</b>  | <b>-</b>          | <b>92,326</b>                             | <b>-</b>              | <b>-92,326</b>                         | <b>-</b>         |
| <b>Closing equity at Sep 30, 2022</b>   | <b>2,483</b>      | <b>338,777</b>                            | <b>1,226,436</b>      | <b>-486,814</b>                        | <b>1,080,882</b> |

## Parent company cash flow statement, summary

| (KSEK)   | Jul-Sep        |                | Jan-Sep         |                 | Jan-Dec         |
|--|----------------|----------------|-----------------|-----------------|-----------------|
|  | 2022           | 2021           | 2022            | 2021            | 2021            |
| <b>Operating activities</b>  |                |                |                 |                 |                 |
| Operating income   | -29,640        | -14,631        | -75,484         | -38,860         | -55,161         |
| <i>Adjustments for non-cash items</i>  |                |                |                 |                 |                 |
| Depreciations and amortisations  | 4,145          | 430            | 11,986          | 1,458           | 4,911           |
| Exchange rate differences  | -2,886         | -267           | -2,118          | -479            | -2,671          |
| Other non-cash items   | 0              | 106            | 1,113           | 900             | 936             |
| Interest received  | 0              | 0              | 0               | 0               | 0               |
| Interest paid  | -1             | -2             | -2              | -13             | -23             |
| Taxes paid   | 0              | -49            | 0               | 0               | -               |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-28,382</b> | <b>-14,413</b> | <b>-64,505</b>  | <b>-36,994</b>  | <b>-52,008</b>  |
| <i>Cash flow from changes in working capital</i>                             |                |                |                 |                 |                 |
| Cash flow from inventories   | -2,618         | -1,298         | -23,883         | -2,838          | -1,848          |
| Cash flow from operating receivables   | -1,341         | -127,693       | -13,877         | -36,173         | -26,003         |
| Cash flow from operating liabilities   | 5,793          | 125,160        | 4,530           | 29,107          | 24,296          |
| <b>Cash flow from operating activities</b>                                   | <b>-26,548</b> | <b>-18,244</b> | <b>-97,735</b>  | <b>-46,898</b>  | <b>-55,563</b>  |
| <b>Investing activities</b>  |                |                |                 |                 |                 |
| Investments in intangible assets   | -37,252        | -31,285        | -101,672        | -70,445         | -100,581        |
| Investments in tangible assets   | -105           | -483           | -691            | -3,177          | -4,183          |
| Investments in financial assets  | 0              | -3,006         | 0               | -3,014          | -3,046          |
| <b>Cash flow from investing activities</b>                                   | <b>-37,357</b> | <b>-34,774</b> | <b>-102,363</b> | <b>-76,636</b>  | <b>-107,810</b> |
| <b>Financing activities</b>  |                |                |                 |                 |                 |
| New share issue  | -              | -              | -               | -               | 614,900         |
| Issue expenses   | -              | -              | -               | -               | -7,946          |
| Received premium for warrant subscription                                    | -              | -              | 3,590           | 1,760           | 1,696           |
| Costs related to warrant programme   | -              | -              | -490            | -               | -               |
| Repurchase of warrants   | -              | -              | -97             | -               | -               |
| <b>Cash flow from financing activities</b>                                   | <b>-</b>       | <b>-</b>       | <b>3,003</b>    | <b>1,760</b>    | <b>608,650</b>  |
| <b>Cash flow for the period</b>  | <b>-63,905</b> | <b>-53,018</b> | <b>-197,095</b> | <b>-121,774</b> | <b>445,277</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>702,458</b> | <b>297,062</b> | <b>816,279</b>  | <b>365,113</b>  | <b>365,113</b>  |
| Translation difference   | 21,236         | 1,588          | 40,605          | 2,293           | 5,889           |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>659,789</b> | <b>245,632</b> | <b>659,789</b>  | <b>245,632</b>  | <b>816,279</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 2021 Annual Report of Sedana Medical. None of the other published standards and interpretations that are mandatory for the Group for the financial year 2022 are deemed to have any impact on the Group's financial reports.

The warrant programs implemented in 2022 contain, unlike previous warrant programs, a premium subsidy and are reported according to IFRS 2. According to IFRS 2, the cost of share-related compensation to employees is reported at fair value per grant date. The cost is reported, together with a corresponding increase in equity, during the period during which the performance and earning conditions are met, up to and including the date when the employees concerned are fully entitled to the compensation (vesting date). The accumulated cost reported at each reporting occasion up to the vesting date reflects the extent to which the vesting period has been completed and Sedana Medical's estimate of the number of options that will ultimately be fully vested. For further information about the warrant programme, see page 26.

### 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 2021 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 27 and <https://sedanamedical.com/investors/financial-reports-presentations/>

### 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 2021 Annual Report on pages 43.45. For information concerning our view of Covid-19 and its possible impacts on Sedana Medical, see page 5 and the CEO's Comments on page 3-4.

### Personnel

During the period, the Group had an average of 88 (70) full time employees and 7 (11) full time consultants, representing an increase of 14 on the same period in 2021. At the end of the quarter, the total number of employees was 88 and the total number of consultants was 10 compared to 85 and 14 respectively at the end of the second quarter last year. The main reason for the increase in average number of employees and consultants 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 2021, Sedana Medical provided a loan amounting to KSEK 300 to Stefan Krisch and as of September 30, the claim amounts to KSEK 300. Stefan is, since last year, part of Sedana Medical's management team. During 2021, a consulting agreement was also signed between Sedana Medical and board member Claus Bjerre. During the 2022, 50 KSEK regarding this agreement was 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 2021, page 57.

## Warrant programme

At the end of the interim period Sedana Medical had 1,326,444 outstanding warrants where 1 warrant equals 1 share at conversion.

The Annual General Meeting of Sedana Medical AB (publ) held on 11 May 2022 resolved on the implementation of two new warrant programmes, 2022/2025:1 and 2022/2025:2, mainly for the CEO and certain selected employees. The company therefore issued 895,000 warrants at the AGM, all of which have been subscribed to by the company's subsidiary Sedana Medical Incentive AB. Each warrant entitles the holder to subscribe to one share in the period 30 May to 30 September 2025, at a subscription price of SEK 46.24, equivalent to 140 percent of the volume-weighted average price paid for Sedana Medical shares over the period 28 April to 11 May 2022. A total of 824,996 warrants were transferred to staff in May 2022. Transfers took place against payment of the estimated market value of the warrants calculated by an external valuer according to the Black & Scholes valuation model. The price per warrant was SEK 5.61, based on assumption of a risk-free interest rate during the term of the warrants of 0.4 percent, an estimated volatility for the company's share during the term of the warrants of 37 percent and no dividends or other transfers of value being implemented during the term of the warrants. Volatility has been estimated based on the historical volatility in the company's share. In connection with the payment of the warrants, the employees received extra salary as subsidy amounting to 2.93 SEK before tax per warrant. The subsidy will be repaid in full or in part if the employee leaves the employment within the three-year period. If all the warrants are exercised, 824,996 new shares will be issued, which is equivalent to a dilution of around 0.8 percent based on the number of shares in the company at 30 September 2022.

| 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 repurchased warrants during the period | Number of warrants at the end of the period | Terms*     | Strike price (SEK) |
|--|-------------------|--|---|--|--|---|------------|--------------------|
| 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   | 217,264  | 0   | 0  | 0  | 217,264                                     | 1:1        | 35.56              |
| <b>2019/2022</b>                                       | <b>Total</b>      | <b>322,436</b>   | <b>0</b>                                      | <b>0</b>                                       | <b>0</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  | 7,920  | 8,080                                       | 1:1        | 83.65              |
| 2020/2023  | Other employees   | 26,480   | 0   | 0  | 4,000  | 22,480                                      | 1:1        | 83.65              |
| <b>2020/2023</b>                                       | <b>Total</b>      | <b>42,480</b>  | <b>0</b>                                      | <b>0</b>                                       | <b>11,920</b>                                    | <b>30,560</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 | 25,200   | 0   | 0  | 0  | 25,200                                      | 1:1        | 123.88             |
| 2020/2024  | Other employees   | 123,252  | 0   | 0  | 0  | 123,252                                     | 1:1        | 123.88             |
| <b>2020/2024</b>                                       | <b>Total</b>      | <b>148,452</b>   | <b>0</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>   |                   |  |   |  |  |   |            |                    |
| 2022/2025:1  | CEO               | 0  | 495,000                                       | 0  | 0  | 495,000                                     | 1:1        | 46.24              |
| 2022/2025:1  | Senior management | 0  | 0   | 0  | 0  | 0   | 1:1        | 46.24              |
| 2022/2025:1  | Other employees   | 0  | 0   | 0  | 0  | 0   | 1:1        | 46.24              |
| <b>2022/2025:1</b>                                     | <b>Total</b>      | <b>0</b>   | <b>495,000</b>                                | <b>0</b>                                       | <b>0</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               | 0  | 0   | 0  | 0  | 0   | 1:1        | 46.24              |
| 2022/2025:2  | Senior management | 0  | 231,479                                       | 0  | 0  | 231,479                                     | 1:1        | 46.24              |
| 2022/2025:2  | Other employees   | 0  | 98,517  | 0  | 0  | 98,517                                      | 1:1        | 46.24              |
| <b>2022/2025:2</b>                                     | <b>Total</b>      | <b>0</b>   | <b>329,996</b>                                | <b>0</b>                                       | <b>0</b>   | <b>329,996</b>                              | <b>1:1</b> | <b>46.24</b>       |
| <i>Exercise period 30 May 2025 - 30 September 2025</i> |                   |  |   |  |  |   |            |                    |
| Total  | CEO               | 0  | 495,000                                       | 0  | 0  | 495,000                                     |            |                    |
| Total  | Senior management | 146,372  | 231,479                                       | 0  | 7,920  | 369,931                                     |            |                    |
| Total  | Other employees   | 366,996  | 98,517  | 0  | 4,000  | 461,513                                     |            |                    |
| <b>Total</b>   |                   | <b>513,368</b>   | <b>824,996</b>                                | <b>0</b>                                       | <b>11,920</b>                                    | <b>1,326,444</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**

2022: 20,6%

2021: 20.6%

Before 2021: 21.4%