

SEDANAMEDICAL

the AnaConDa technology people

Interim report Q2
January-June 2017

Sedana Medical AB (publ)



Sedana Medical, Interim report Q2, January-June 2017

Financial summary April-June

- Net sales during the period increased to 9 549 (7 142) KSEK corresponding to an increase of 34% compared with the same period 2016.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) were 673 (-702) KSEK. This corresponds to an EBITDA margin of 7,1% (-9,8%).
- Earnings before interest and taxes (EBIT) were 408 (-781) KSEK which corresponds to an EBIT margin of 4,3% (-10,9%).
- Cash flow from operations before change in working capital amounted to -1 461 (-935) KSEK.
- Liquid funds at the end of the period amounted to 100 738 (852) KSEK.

Significant events during the period

- Sedana Medical's share was listed on the Nasdaq First North stock exchange on 21 June 2017.
- In June 2017, an agreement was concluded with Teleflex Medical Inc. to settle all outstanding royalties for AnaConDa products. With the deal Sedana Medical has no further royalty obligations to Teleflex.
- A decision was made on the issue and distribution of shares and on conversion to a public company at the Extraordinary General Meeting on 5 April.
- The registration study IsoConDa entered an operational phase with the inclusion of the first clinic and patient after the clinical protocol was approved by the German Medicines Agency, BfArM and by the Ethics Committee.
- The headquarters of the group was registered in Danderyd.
- A new affiliate was established in Sweden to administer incentive programs in Sedana Medical AB (publ).

Financial summary January-June

- Net sales during the first six months increased to 19 440 (15 680) KSEK corresponding to an increase of 24% compared with same period in 2016.
- EBITDA amounted to 1 081 (438) KSEK and the EBITDA margin was 5,6% (2,8%).
- EBIT amounted to 678 (297) KSEK and the EBIT margin was 3,5% (1,9%).
- Cash flow from operations before change in working capital amounted to -1 183 (-319) KSEK.

Significant events after the period

- The first patients were treated with AnaConDa in South Korea and Asian market.
- The process of recruiting new clinics into the registration study IsoConDa is ongoing in Germany and we have now recruited more than half of the planned number of clinics.
- The overallotment option in the IPO were exercised.



CEO comments

It was a source of great pride for all Sedana Medical employees that the company was listed on Nasdaq First North in Stockholm on 21 June 2017. I would like to take this opportunity to thank all shareholders, old and new, for their support and their faith in us as a company.

The listing provides us with the opportunity and the financial fundamentals to be able to realise our vision of making inhalation sedation with IsoConDa and AnaConDa a global standard method for sedation of mechanically ventilated patients in intensive care. We hope to achieve this ambitious vision because the AnaConDa technology and the pharmaceutical IsoConDa (isoflurane) offer a solution that addresses the problems that today's intravenous sedatives cause or do not adequately solve.

During the quarter, we worked hard on the listing of the company, but also dedicated considerable effort to our key strategic goals by focusing on:

- Obtaining approval for inhalation sedation therapy in intensive care by registering the medicinal product IsoConDa in Europe through a registration study that has now been initiated in Germany with recruitment of both clinics and patients. We are working intensively with our partners to reach this milestone. Over the next 18 months we will dedicate substantial effort to successfully conducting this study.
- The second strategic goal is to continue to grow in terms of sales, primarily in our test market, Germany. The second quarter shows continued strong overall net sales growth of 34% compared with the corresponding period in 2016. In addition to acquiring more German customers and increasing sales among existing customers, sales are beginning to take off in our second market, France. While the sales figures are modest in relation to Germany, important new clinics have been added during the quarter, which will benefit future sales. We are particularly pleased that we are becoming established in more clinics in France since we have essentially applied the same strategy as in Germany.

In addition to favourable sales growth in Germany and in Europe at large, we have also taken the first step in Asia, where AnaConDa was launched in South Korea and the



first patients have now been treated. We have previously entered into an exclusive agreement with the South Korean distributor DaeSeuk Med Co. Ltd. for the rights to market and sell AnaConDa in South Korea.

South Korea is a good reference country for registration of AnaConDa in other Asian markets in the future.

During the quarter, an agreement was reached with the US medical device provider Teleflex Medical to finally settle the existing royalty structure for the AnaConDa products. As a result of the agreement, we no longer have any royalty obligation.

Despite our heavy investments and increasing costs to facilitate growth, EBITDA was SEK 0,67 million for the second quarter and SEK 1,1 million for the first half of 2017 which is an indication of ongoing strength.

Continued sales growth is well in line with our high growth targets and we continue to see strong demand from many customers.

The first half of the year shows that the company is well-positioned to lead the initiative to offer the first commercial solution for inhalation sedation in intensive care, a market with a sales potential of SEK 10-20 billion annually.

Christer Ahlberg, President and CEO

Sedana Medical in brief

Sedana Medical is a Swedish medical technology group which develops, manufactures and sells the medical device AnaConDa. AnaConDa is based on proprietary technology for vaporization and reflection of anesthetic gases. The device is sold to intensive care units globally and is used for sedation of patients.

Sedana Medical operates in several countries in Europe via affiliates and branch offices of the parent company Sedana Medical AB (publ). Germany is the Group's largest market, with more than 85% of total sales.

Sedana Medical has initiated a clinical registration study in Germany with the aim of gaining European clinical approval for the pharmaceutical IsoConDa (isoflurane). IsoConDa will be used with AnaConDa for inhalation sedation in the intensive care unit.

In June 2017 Sedana Medical's share was listed on the Nasdaq First North trading venue.

Largest shareholders at the end of the period

Shareholders in the company at the end of the period:

	Number of shares	Share (%)
Sten Gibeck	2 105 744	12,92%
Linc AB	1 821 901	11,18%
Magiola Consulting	1 427 867	8,76%
Mike Ryan	1 108 083	6,80%
HealthInvest Partners AB	900 000	5,52%
Ron Farrell	898 897	5,51%
Alto Invest SA	769 230	4,72%
Brohuvudet AB	512 820	3,15%
Zaragatero Ltd	503 404	3,09%
Nyenburgh Holding B.V.	445 009	2,73%
Ten largest shareholders	10 492 955	64,36%
Others	5 810 353	35,64%
In total	16 303 308	100,00%



Financial summary January – June 2017

Financial summary - Consolidated (SEK)

	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Net sales	9 548 964	7 142 395	19 440 486	15 680 300	32 154 634
Operating income before depreciation and amortisation (EBITDA)	673 449	-701 831	1 081 064	437 982	994 314
Operating income after depreciation and amortisation (EBIT)	408 390	-781 403	678 176	296 681	617 764
Income after financial items	-570 467	-783 830	-687 539	116 814	636 656
EBITDA %	7,1%	-9,8%	5,6%	2,8%	3,1%
EBIT %	4,3%	-10,9%	3,5%	1,9%	1,9%
Net income % of net sales	-5,3%	-12,9%	-5,4%	0,9%	4,0%
Total assets	131 883 327	11 321 544	131 883 327	11 321 544	22 903 177
Equity ratio	79,5%	2,8%	79,5%	2,8%	5,5%
Quick ratio	419,9%	114,3%	419,9%	114,3%	80,2%
Average number of employees	17	17	16	16	16
Average number of shares before dilution	12 491 654	2 170	12 491 654	2 170	2 170
Average number of shares after dilution	13 686 729	2 430	13 686 729	2 430	2 430
Number of shares at the end of the period before dilution	16 303 308	2 170	16 303 308	2 170	2 170
Number of shares at the end of the period after dilution	17 653 457	2 430	17 653 457	2 430	2 430
Earnings per share before dilution ¹⁾	-0,04	-425,25	-0,08	65,05	592,46
Earnings per share after dilution ¹⁾	-0,04	-379,75	-0,08	58,09	529,07

¹⁾ Based on average number of shares for the period.

Revenues

Second quarter total revenues for the group amounted to 11 093 (8 528) KSEK corresponding to an increase of 2 565 KSEK or 30%. During the first half of the year the corresponding figure was 21 601 (17 790) KSEK.

The increase is mainly due to an increase in the net sales of 34% for the second quarter and 24% during the first half of the year. Sedana Medical's net sales are dominated in EUR and corresponding figures cleared of exchange rate effects is 31% for the second quarter and 21% for the first half of the year. The increase in net sales is mainly due to sales via the German branch office.

The net sales for the German branch office increased to 8 982 (6 463) KSEK in the second quarter corresponding to 94 (90) % of the total net sales for the group. Corresponding figures for the first half of the year was 18 257 (14 481) KSEK or 94 (92) %.

In the German branch office, direct sales to hospitals and clinics in Germany are included as well as sales to distributors in other countries. The sales to distributors in other countries increased to 620 (529) KSEK for the second quarter and 1 530 (1 135) KSEK for the first half of the year.

The revenues for the second quarter further contain capitalized development expenses of 717 (0) KSEK and other operating revenues of 826 (1 385) KSEK. Corresponding figures for the first half of the year is 1 291 (0) KSEK for the capitalized development expenses and 870 (2 110) KSEK for the other operating revenues. The decrease in other operating revenues is due to a decrease in currency gains of operational receivables and payables.

Cost of goods sold

The cost of goods sold during the second quarter amounted to 2 168 (3 351) KSEK which corresponded to a decrease of 1 184 KSEK or 35%. Cost of goods sold for the first half of the year amounted to 5 490 (6 021) KSEK.

The reason for the decrease is mainly due to lower cost for royalties as a result of the settlement with Teleflex regarding the remaining intellectual property rights of AnaConDa.

Other external expenses

Other external expenses amounted to 4 198 (1 777) KSEK for the second quarter. This corresponded to an increase of 2 422 KSEK or 136%. Corresponding expenses for January-June amounted to 7 721 (4 044) KSEK.

The other external expenses include mainly consultancy fees, marketing expenses, accounting expenses as well as travel expenses and patent fees. The increase is explained by the implementation of the new business plan for the group as well as the establishment of a finance function and other supporting functions.

Personnel expenses

The personnel expenses during the second quarter amounted to 4 048 (2 899) KSEK, which corresponds to an increase of 1 150 KSEK or 40%. During the period, there were 17 employees in the group on average which was the same number as compared with same period in 2016. Personnel expenses during the first half of the year amounted to 7 275 (5 700) KSEK.

The increase in personnel expenses is due to a difference in the structure of the personnel compared with 2016. With the company's plan to operate in the pharmaceutical area as well as in the medical technology

area, Sedana Medical has also recruited a new CEO during the first quarter of 2017.

Depreciation and amortisations

Depreciations and amortisations during the second quarter amounted to 265 (80) KSEK which corresponded to an increase of 185 KSEK or 233%. Corresponding value for January-June was 403 (141) KSEK. The reason for the increase is mainly increased amortisations for intellectual property rights.

Operating income

The operating income for the group for the second quarter amounted to 408 (-781) KSEK, which corresponds to an increase of 1 190 KSEK or 152%. During the period January to June the operating income amounted to 678 (297) KSEK. The increase is mainly explained by increased sales revenues and lower royalty cost.

Financial items

The financial net amounted to -979 (-2) KSEK during the second quarter and -1 366 (-180) KSEK during the first half of the year. The financial net is explained by changes in currency and a negative interest net. The main reason for the negative interest net is new bank loans and increased interest to the owners. The increased interest to the owners occurred in connection with conversion of a shareholder loan into new shares at the time of the listing of the company on Nasdaq First North.

Tax

The tax for the second quarter was 60 (139) KSEK and -366 (24) KSEK during January-June. The tax is mainly explained by changes in deferred taxes.

Net income

Net income for the second quarter amounted to -511 (-923) KSEK and -1 053 (141) KSEK during the January-June. The increase during the second quarter is mainly explained by increased sales revenues and lower royalty cost.

Equity and liabilities

The equity as per 30 June 2017 amounted to 104 870 (320) KSEK. This corresponded to an increase of 104 550 KSEK which were due to the new shares issue in connection with the listing on Nasdaq First North. Shareholders' equity includes transaction costs attributable to the listing amounting to 5 829 KSEK. The equity in the parent company, Sedana Medical AB (publ), per 30 June 2017 ended at 109 879 (8 521) KSEK corresponding to an increase of 101 357 KSEK.

Long-term liabilities amounted to 1 840 (6 404) KSEK and consisted of loans to credit institutions.

Short term liabilities amounted to 25 659 (4 633) KSEK and consisted mainly of loans to credit institutions 6 360 (139) KSEK, accounts payables 9 332 (1 337) KSEK and accrued expenses and prepaid income of 8 654 (1 713) KSEK. The main part of the accrued expenses was prepaid IPO expenses.

Cash flow

Liquid funds at the end of the period ended up at 100 738 (852) KSEK.

Cash flow from operations before change in working capital was -1 461 (-935) KSEK for the second quarter and -1 083 (-319) KSEK for the first half year.

Cash flow from operations after change in working capital amounted to 9 339 (-302) KSEK for the second quarter and 10 420 (150) KSEK for the first half of the year. The positive change in working capital is due to increased operating liabilities.

Cash flow from investments amounted to -11 559 (-639) KSEK for the second quarter and -14 299 (-2 518) KSEK for the first half of the year. In essence, investments consist of intangible fixed assets, where half refers to the AnaConDa intellectual property right acquired from Teleflex during the second quarter. The remaining part relates to capitalized development expenses.

Cash flow from the financing activities totaled a net of 90 285 (27) KSEK for the second quarter and 96 288 (17) KSEK for the first half of the year. The new shares issue in connection with the listing of the company at Nasdaq First North was the main reason for the positive cash flow from financing activities. Amortisation of a convertible loan and a shareholder loan occurred in connection with the new share issue.

The total cash flow for the group was positive and amounted to 88 065 (-914) KSEK during the second quarter and 92 409 (-2 351) KSEK during the first half of the year. The main reason was the new shares issue in connection with the listing of the company at Nasdaq First North on 21 June 2017.

Parent company

The parent company in the group is Sedana Medical AB (publ), org.no. 556670–2519. The functions in the parent company are management of clinical development as well as general administrative and management functions. The parent company also includes branch offices in Germany and Spain where the main operation is sales and warehousing. The revenues of the parent company amounted to 10 032 (9 202) KSEK for the second quarter and 20 180 (18 374) KSEK for the first half of the year. The operating income ended up at -1 864 (324) KSEK for the second quarter which corresponded to a decrease of 2 188 KSEK. Operating income for the first half of the year amounted to -2 953 (1 073) KSEK. The financial net was -884 (-89) KSEK for the second quarter and -1 157 (-266) KSEK during the first half of the year. The reason for the worse financial net was an increase in interest bearing liabilities compared with the same period in 2016. The net income for the second quarter amounted to -2 879 (223) KSEK and -4 241 (794) KSEK for the first half of the year. Liquid funds ended up at 98 096 (747) KSEK, an increase of 97 348 KSEK which is due to the new shares issue in connection with the listing on Nasdaq First North.

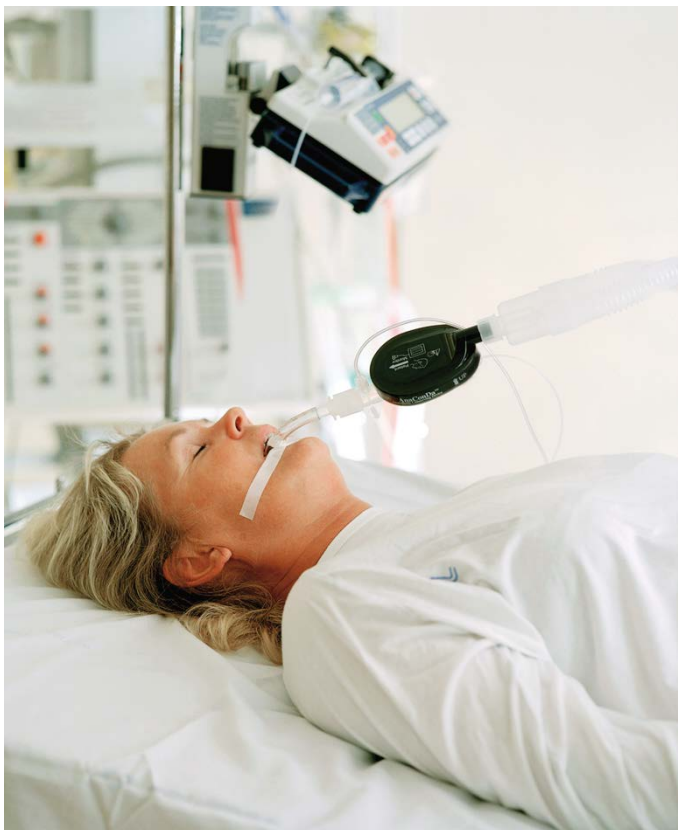
Other information

Transactions with related parties

Transactions with related parties are conducted at market terms. During the period the affiliated company, Sedana Medical Ltd bought goods at a value of 947 KSEK from Lismed Ltd., a company related to the R&D Director and owner Ron Farrell.

The affiliated company Sedana Medical Ltd has further bought services at a value of 224 KSEK from Tecscan Ltd., a company related to the board member and owner Mike Ryan.

Sedana Medical AB (publ) has bought services to a value of 56 KSEK from Magiola Consulting AB, a company related to the board member and owner Ola Magnusson.



Consolidated income statement

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Revenues					
Net sales	9 548 964	7 142 395	19 440 486	15 680 300	32 154 634
Capitalized development expenses	717 717	0	1 290 937	0	1 579 714
Other operating income	826 279	1 385 234	870 073	2 109 638	1 932 323
	11 092 960	8 527 629	21 601 496	17 789 938	35 666 671
Operating cost and expenses					
Cost of goods sold	-2 167 601	-3 351 175	-5 490 491	-6 020 810	-10 808 269
External expenses	-4 198 248	-1 776 653	-7 721 277	-4 044 347	-10 606 109
Personnel expenses	-4 048 298	-2 898 505	-7 274 821	-5 699 783	-11 670 428
Depreciation and amortisation	-265 059	-79 572	-402 888	-141 301	-376 550
Other operating expenses	-5 364	-1 203 127	-33 843	-1 587 016	-1 587 551
Operating income	408 390	-781 403	678 176	296 681	617 764
Income from financial items					
Result from securities and long term receivables	-629	0	-629	0	0
Financial income	665 660	409 979	1 077 361	718 442	2 039 290
Financial expenses	-1 643 888	-412 406	-2 442 447	-898 309	-2 020 398
Income after financial items	-570 467	-783 830	-687 539	116 814	636 656
Income before taxes	-570 467	-783 830	-687 539	116 814	636 656
Taxes	59 632	-138 971	-365 681	24 347	648 979
Net Income	-510 835	-922 801	-1 053 220	141 161	1 285 635



Consolidated balance sheet

(SEK)	30 June		31 December
	2017	2016	2016
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenses	11 375 531	1 966 971	4 917 536
Concessions, patents, licenses and similar	6 352 033	0	0
	17 727 564	1 966 971	4 917 536
<i>Tangible assets</i>			
Machinery and equipment	103 927	150 309	127 109
Fixtures and tools	1 623 322	930 269	911 036
	1 727 249	1 080 578	1 038 145
Total fixed assets	19 454 813	3 047 549	5 955 681
Current assets			
<i>Inventory</i>			
Finished goods	4 432 540	2 977 115	4 264 038
Advances to suppliers	241 372	0	272 484
	4 673 912	2 977 115	4 536 522
<i>Receivables</i>			
Trade receivables	3 181 332	2 625 601	2 867 025
Tax receivables	205 719	3 547	197 576
Other current receivables	1 641 382	1 566 418	619 364
Prepaid expenses and accrued income	1 987 784	249 368	430 577
	11 690 129	7 422 049	8 651 064
<i>Cash and cash equivalents</i>	100 738 385	851 946	8 296 432
Total current assets	112 428 514	8 273 995	16 947 496
TOTAL ASSETS	131 883 327	11 321 544	22 903 177

(SEK)	30 June		31 December
	2017	2016	2016
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	979 331	217 000	217 000
Other equity including net income for the period	103 891 045	103 446	1 044 796
	104 870 376	320 446	1 261 796
Equity attributable to shareholders in parent company	104 870 376	320 446	1 261 796
Total equity	104 870 376	320 446	1 261 796
<i>Provisions</i>			
Deferred taxes	-486 399	-36 574	-721 216
Other provisions	0	0	13872
	-486 399	-36 574	-707 344
<i>Long-term liabilities</i>			
Liabilities to credit institutions	239 941	1 304 333	779 779
Convertible loans	0	4 100 000	4 100 000
Other long term liabilities	1 600 000	1 000 000	2 000 000
	1 839 941	6 404 333	6 879 779
<i>Current liabilities</i>			
Liabilities to credit institutions	6 359 892	138 684	38 201
Accounts payables	9 331 626	1 337 011	1 917 044
Tax liabilities	0	12 381	2 487
Other current liabilities	1 314 008	1 432 041	10 702 828
Accrued expenses and prepaid income	8 653 883	1 713 222	2 808 386
	25 659 409	4 633 339	15 468 946
TOTAL EQUITY AND LIABILITIES	131 883 327	11 321 544	22 903 177

Consolidated statement of changes in equity

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Opening balance according to balance sheet	748 691	1 363 684	1 261 796	447 957	447 957
<i>Changes in the carrying amounts recognised directly in equity</i>					
Translation differences	-207 415	-120 437	-178 135	-268 672	-471 796
<i>Transactions with the group's owners</i>					
New issue of shares	104 839 935	0	104 839 935	0	0
Net income	-510 835	-922 801	-1 053 220	141 161	1 285 635
Total Equity	104 870 376	320 446	104 870 376	320 446	1 261 796

Consolidated statement of cash flow

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Operations					
Operating income	408 390	-781 403	678 176	296 681	617 764
<i>Adjustment of non cash flow items</i>					
Depreciations and amortisations	272 813	79 490	410 636	141 301	369 974
Currency exchange rates differences	426 025	-194 709	359 703	-688 256	264 571
Provisions	0	0	-13 784	0	13 726
Other non cash flow items	0	0	0	0	0
	1 107 228	-896 622	1 434 731	-250 274	1 266 035
Received interest	0	2	1	20	39
Paid interest	-2 435 360	-38 584	-2 478 250	-63 010	-161 003
Paid taxes	-133 262	37	-139 279	-5 742	-267 734
Cash flow from operations before change in working capital	-1 461 394	-935 167	-1 182 797	-319 006	837 337
<i>Cash flow from change in working capital</i>					
Increase (-)/Decrease (+) of inventory	115 062	-299 740	-142 836	975 251	-640 961
Increase (-)/Decrease (+) of operating receivables	-2 112 203	3 083 569	-2 975 073	193 854	539 619
Increase (+)/Decrease (-) of operating liabilities	12 797 580	-2 150 422	14 721 071	-699 612	-497 485
Cash flow from operations	9 339 045	-301 760	10 420 365	150 487	238 510
Investment activities					
Investment in intangible fixed assets	-10 931 612	0	-12 802 824	-1 129 286	-4 066 068
Investments in tangible fixed assets	-311 331	-426 215	-1 224 059	-872 740	-861 862
Investments of financial assets	-315 722	-212 952	-272 062	-516 187	-651 269
Cash flow from investment activities	-11 558 665	-639 167	-14 298 945	-2 518 213	-5 579 199
Financing activities					
New issue of shares	104 839 936	0	104 839 936	0	0
Received loans	0	210 900	6 002 763	210 900	11 138 582
Amortisation of loans	-14 555 015	-183 878	-14 555 015	-194 291	-792 204
Cash flow from financing activities	90 284 921	27 022	96 287 684	16 609	10 346 378
Cash flow for the period	88 065 301	-913 905	92 409 104	-2 351 117	5 005 689
Liquid funds at the beginning of the period	12 624 319	1 762 004	8 296 432	3 172 249	3 172 249
Effects of exchange rate changes on cash	41 899	532	29 224	4 903	-14 019
Translation difference in liquid funds	6 866	3 315	3 625	25 911	132 513
Liquid funds at the end of the period	100 738 385	851 946	100 738 385	851 946	8 296 432

Parent company income statement

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Revenues					
Net sales	9 307 595	7 816 438	18 837 993	16 264 029	31 494 926
Capitalized development expenses	717 717	0	1 290 937	0	653 550
Other operating income	6 814	1 385 234	50 608	2 109 638	1 859 490
	10 032 126	9 201 672	20 179 538	18 373 667	34 007 966
Operating cost and expenses					
Cost of goods sold	-6 592 743	-5 454 646	-13 384 983	-10 507 593	-18 155 696
External expenses	-2 720 015	-741 138	-5 235 429	-2 256 417	-6 934 989
Personnel expenses	-2 558 278	-1 463 419	-4 442 483	-2 914 979	-5 984 224
Depreciation and amortisation	-19 734	-15 012	-36 222	-34 872	-68 347
Other operating expenses	-5 364	-1 203 127	-33 843	-1 587 016	-1 587 551
Operating income	-1 864 008	324 330	-2 953 422	1 072 790	1 277 159
Income from financial items					
Result from securities and long term receivables	105 339	0	201 454	0	0
Financial income	665 661	410 234	1 077 357	718 440	2 402 289
Financial expenses	-1 654 860	-498 954	-2 435 492	-984 857	-2 020 394
Income after financial items	-2 747 868	235 610	-4 110 103	806 373	1 659 054
Income before taxes	-2 747 868	235 610	-4 110 103	806 373	1 659 054
Taxes	-130 864	-12 227	-130 864	-12 227	0
Net Income	-2 878 732	223 383	-4 240 967	794 146	1 659 054



Parent company balance sheet

(SEK)	30 June		31 December
	2017	2016	2016
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenses	2 759 653	815 166	1 468 716
<i>Tangible assets</i>			
Machinery and equipment	103 927	150 309	127 109
Fixtures and tools	75 773	20 212	21 429
	179 700	170 521	148 538
<i>Financial fixed assets</i>			
Shares in group companies	50 009	9	9
Long term receivables in group companies	24 178 493	0	15 976 572
	24 228 502	9	15 976 581
Total fixed assets	27 167 855	985 696	17 593 835
Current assets			
<i>Inventory</i>			
Finished goods	6 643 446	3 143 360	7 542 293
<i>Receivables</i>			
Trade receivables	2 603 878	2 106 126	2 568 624
Receivables in group companies	2 573 519	14 212 891	2 121 778
Tax receivables	3 635	3 547	0
Other current receivables	1 098 538	702 426	411 236
Prepaid expenses and accrued income	948 890	233 115	379 873
	7 228 460	17 258 105	5 481 511
<i>Cash and cash equivalents</i>			
	98 095 509	747 283	7 711 119
Total current assets	111 967 415	21 148 748	20 734 923
TOTAL ASSETS	139 135 270	22 134 444	38 328 758

(SEK)	30 June		31 December
	2017	2016	2016
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	979 331	217 000	217 000
Fund for capitalized development expenses	2 759 653	0	1 468 716
<i>Non restricted equity</i>			
Share premium fund	115 660 604	11 583 000	11 583 000
Retained earnings	-5 280 013	-4 072 981	-5 617 827
Profit or loss previous year	0	0	0
Profit or loss for the period	-4 240 967	794 146	1 659 054
Total Equity	109 878 608	8 521 165	9 309 943
<i>Long-term liabilities</i>			
Liabilities to credit institutions	239 941	1 304 333	779 779
Convertible loans	0	4 100 000	4 100 000
Other long term liabilities	1 600 000	1 000 000	2 000 000
	1 839 941	6 404 333	6 879 779
<i>Current liabilities</i>			
Liabilities to credit institutions	6 359 892	119 964	0
Accounts payables	3 663 764	298 194	1 182 107
Liabilities to group companies	8 414 379	4 620 887	9 343 176
Other current liabilities	687 188	828 024	10 448 368
Accrued expenses and prepaid income	8 291 498	1 341 877	1 165 385
	27 416 721	7 208 946	22 139 036
TOTAL EQUITY AND LIABILITIES	139 135 270	22 134 444	38 328 758

Parent company statement of changes in equity

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Opening balance according to balance sheet	7 952 974	8 279 896	9 309 943	7 773 331	7 773 331
<i>Changes in the carrying amounts recognised directly in equity</i>					
Translation differences	-35 569	17 886	-30 303	-46 312	-122 442
<i>Transactions with the group's owners</i>					
New issue of shares	104 839 935	0	104 839 935	0	0
<i>Reallocation between items in equity</i>					
Allocations to funds for capitalized development expenses	1 168 191	0	1 290 937	0	1 468 716
Retained earnings	-1 168 191	0	-1 290 937	0	-1 468 716
	0	0	0	0	0
Net income	-2 878 732	223 383	-4 240 967	794 146	1 659 054
Total Equity	109 878 608	8 521 165	109 878 608	8 521 165	9 309 943

Parent company statement of cash flow

(SEK)	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Operations					
Operating income	-1 864 008	324 330	-2 953 422	1 072 790	1 277 159
<i>Adjustment of non cash flow items</i>	0				
Depreciations and amortisations	19 743	16 960	36 222	36 902	68 362
Currency exchange rates differences	414 910	-194 454	366 510	-688 258	318 462
Other non cash flow items	0	0	0	0	329 003
	-1 429 355	146 836	-2 550 690	421 434	1 992 986
Received interest	0	2	1	20	39
Paid interest	-2 435 360	-125 132	-2 478 250	-149 558	-161 003
Paid taxes	-134 503	-81	-134 503	-3 440	0
Cash flow from operations before change in working capital	-3 999 218	21 625	-5 163 442	268 456	1 832 022
<i>Cash flow from change in working capital</i>					
Increase (-)/Decrease (+) of inventory	-1 211 163	-216 090	998 658	-155 008	-4 517 022
Increase (-)/Decrease (+) of operating receivables	-640 533	2 702 106	-1 557 553	-1 596 178	10 088 695
Increase (+)/Decrease (-) of operating liabilities	10 647 384	-3 184 686	3 023 893	465 258	4 954 706
Cash flow from operations	4 796 470	-677 045	-2 698 444	-1 017 472	12 358 401
Investment activities					
Investment in intangible fixed assets	-717 717	0	-1 290 937	0	-653 550
Investments in tangible fixed assets	-1 803	-2 007	-328 960	-229 145	-287 966
Investments of financial assets	-8 387 437	-15 921	-8 434 965	-167 727	-16 443 506
Cash flow from investment activities	-9 106 957	-17 928	-10 054 862	-396 872	-17 385 022
Finansieringsverksamheten					
New issue of shares	104 839 936	0	104 839 936	0	0
Received loans	0	210 900	6 751 534	210 900	11 138 582
Increase (+)/Decrease (-) of current financial liabilities	0	0	6 000 000	0	0
Amortisation of loans	-14 514 051	-164 674	-14 514 051	-171 604	-548 903
Cash flow from financing activities	90 325 885	46 226	103 077 419	39 296	10 589 679
Cash flow for the period	86 015 398	-648 747	90 324 113	-1 375 048	5 563 058
Liquid funds at the beginning of the period	12 005 025	1 378 503	7 711 119	2 075 492	2 075 492
Effects of exchange rate changes on cash	41 899	532	29 224	4 903	-14 019
Translation difference in liquid funds	33 187	16 995	31 053	41 936	86 588
Liquid funds at the end of the period	98 095 509	747 283	98 095 509	747 283	7 711 119

Share information

	Q2		Q1-Q2		Year
	2017	2016	2017	2016	2016
Net income, SEK	-510 835	-922 801	-1 053 220	141 161	1 285 635
Cash flow, SEK	88 065 301	-913 905	92 409 104	-2 351 117	5 005 689
Number of shares at the beginning of the period ¹⁾	8 680 000	2170	8 680 000	2170	2170
Number of shares at the end of the period	16 303 308	2170	16 303 308	2170	2170
Average number of shares	12 491 654	2 170	12 491 654	2 170	2 170
Outstanding warrants at the beginning of the period ²⁾	1 040 000	260	1 040 000	260	260
Outstanding warrants at the end of the period	1 350 149	260	1 350 149	260	260
Genomsnittligt antal teckningsoptioner	1 195 075	260	1 195 075	260	260
Share capital at the end of the period, SEK	979 331	217 000	979 331	217 000	217 000
Equity at the end of the period, SEK	104 870 376	320 446	104 870 376	320 446	1 261 796
<i>Earnings per share, SEK</i>					
- Earnings per share before dilution	-0,04	-425,25	-0,08	65,05	592,46
- Earnings per share after dilution	-0,04	-379,75	-0,08	58,09	529,07
Equity per share, SEK	6,43	147,67	6,43	147,67	581,47
Cash flow per share, SEK	7,05	-421,15	7,40	-1 083,46	2 306,77

¹⁾ Equals 2170 number of shares pre-IPO

²⁾ Equals 260 warrants pre-IPO

Notes to the financial information

Note 1 Accounting principles

Sedana Medical group complies with the Swedish Accounting Standard Board's (BFNs) general advice BFNAR 2012:1 annual accounting and group accounting (K3). Essential accounting and valuation principles can be found in the group annual report 2016, pages 13–17. The parent company Sedana Medical AB (publ), applies the same accounting principles as the group.

Note 2 Definition of ratios

EBITDA margin:

Operating income before depreciation and amortisation / net sales

EBIT-margin:

Operating income after depreciation and amortisation / net sales

Net profit in % of net sales:

Net profit / net sales

Balance sheet total:

Total assets

Equity ratio:

(Total equity + 78 % of untaxed reserves) / Total assets

Quick ratio:

Cash, marketable securities and receivables / Total current liabilities

Average number of employees: Average number of full time employees during the period.

Note 3 Conditioned shareholder contribution

The conditioned shareholder contribution of 11 925 000 SEK in Sedana Medical AB (publ) were remitted in conjunction with the stock exchange quotation at Nasdaq First North.

Auditor's review

The auditor has reviewed the accounts in this interim report.

Certified Adviser

Pareto Securities is the certified adviser for Sedana Medical AB (Publ) since the listing of the company at Nasdaq First North.

For further information please contact

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Upcoming information

Interim report Q3, July-September 2017:
30 November 2017.

Q4 and year-end results 2017:
28 February 2018.

Certification from the board of directors and the CEO

The Board of Directors and the CEO ensures that this interim report provides a true and fair view of the Group's operations, financial position and results. For a description of Sedana Medical's risks, please refer to the Group's prospectus prepared for the listing on Nasdaq First North.

Danderyd 31 August 2017

Thomas Eklund
Chairman of the board

Sten Gibeck
Board member

Bengt Julander
Board member

Ola Magnusson
Board member

Mike Ryan
Board member

Christer Ahlberg
President and CEO

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