



Interim report

January-June 2022

sedana medical ab (publ)



"Committed to change the standard of care, with commercial progress and a strong balance sheet"

Johannes Doll, President and CEO

Q1 **Q2** Q3 Q4

Financial summary

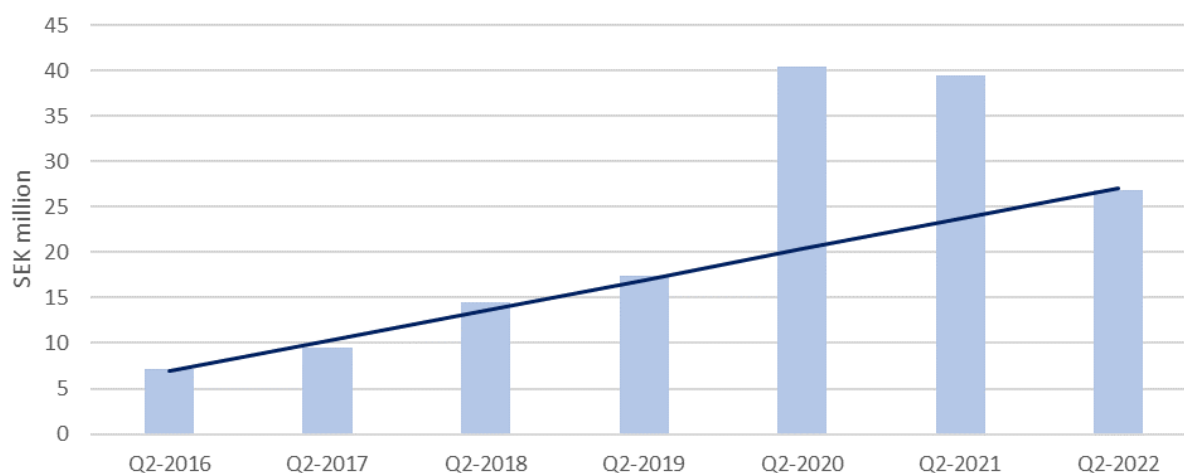
Second quarter 2022

- Net sales for the quarter totalled MSEK 27 (40), equivalent to a decrease of 32% compared to 2021. At constant exchange rates, sales decreased by 34%. The decrease is a consequence of a significant decline in ventilated patients in intensive care units.
- Gross profit was MSEK 19 (26), equivalent to a margin of 70% (66%). The improved margin is mainly an effect of a positive product mix, price adjustments and initiatives to reduce freight costs.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -24 (-14), equivalent to an EBITDA margin of -89% (-36%).
- Operating income (EBIT) totalled MSEK -30 (-16), equivalent to an EBIT margin of -111% (-41%).
- Net profit for the quarter was MSEK -11 (-17), and earnings per share before and after dilution was SEK -0.11 (-0.18).
- Cash flow from operating activities totalled MSEK -39 (-12).
- Cash flow from investing activities totalled MSEK -39 (-23).
- Total cash flow was MSEK -75 (-36).
- Cash and cash equivalents at the end of the quarter totalled MSEK 722, compared to MSEK 779 at the beginning of the quarter.

January-June 2022

- Net sales totalled MSEK 61 (85), equivalent to a decrease of 28% compared to last year. At constant exchange rates, sales decreased by 31%. The decrease is a consequence of a significant decline in ventilated patients in intensive care units.
- Gross profit was MSEK 42 (55), equivalent to a margin of 69% (65%). The improved margin is mainly an effect of lower freight costs compared to the first half of the previous year.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -40 (-23), equivalent to an EBITDA margin of -67% (-27%).
- Operating income (EBIT) totalled MSEK -52 (-27) equivalent to an EBIT margin of -86% (-32%).
- Net profit for the period was MSEK -30 (-26), and earnings per share before and after dilution were SEK -0.30 (-0.28).
- Cash flow from operating activities totalled MSEK -66 (-25).
- Cash flow from investing activities totalled MSEK -71 (-44).
- Total cash flow was MSEK -136 (-69).
- Cash and cash equivalents at the end of the period totalled MSEK 722, compared to MSEK 836 at the beginning of the year.

Second quarter sales



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

With a strong balance sheet, we are continuing on our mission towards standard of care

During the second quarter, we initiated our clinical program in the US and launched our pharmaceutical Sedaconda (isoflurane) in several additional European markets. Sales continued to be affected by a significant temporary contraction of the addressable market, but with cash of 722 MSEK we are well financed to execute on our strategy and the outlook remains very positive despite the near-term market headwinds.



Addressable market has temporarily contracted but outlook remains bright

We continued to see a significant contraction of our addressable market across our main geographies. In fact, the decline of intubated and ventilated patients in intensive care units was even more sizeable in Q2 than in Q1:

- As expected, the number of Covid-19 patients requiring ICU care has been at a much lower level than last year.
- As populations in our major markets still observe hygiene measures and work from home to a large extent, community-acquired infections such as flu and pneumonia have been at very low levels.
- Hospitals still suffer from personnel shortages, leading to less elective surgeries and an overall reduction of ICU capacity.

In light of these dynamics, we report net sales of 27 MSEK in the second quarter, a decline of 32% versus last year, to be compared with a decrease of the addressable market of 40-50% (see below). The decline is mainly driven by lower sales in Germany and in South America. In other markets, most notably Spain, France and UK, we have seen robust growth of 31% despite the challenging market environment.

While it is difficult to predict when exactly the situation in ICUs will find a "new normal", we know that most of the external effects are temporary and expect to see a normalized market from early 2023, subject of course to potential new waves of the pandemic. Importantly, Sedana Medical has the financial strength to endure even a longer-lasting uncertainty if needed. It goes without saying that we remain convinced that inhaled sedation will prevail due to both convincing clinical benefits over intravenous sedation and attractive health-economic advantages for our customers.

Positive underlying dynamic despite sales decline

Even despite the sales decline in the first half of this year, there are several positive underlying trends showing the positive momentum:

Taking a through-cycle-perspective, our sales in the first half of 2022 were 72% higher than for the same period of 2019. This shows that – despite the current reduction of ventilated patients – the use of inhaled sedation has made a significant step forward. With the European approval and the launch of Sedaconda (isoflurane) that positive trend will continue and accelerate.

The sales decline is likely less than the decline in ventilated patients. Based on publicly available data and a customer survey we have performed in our main market Germany mid-May, we estimate that the number of ventilated patients in ICUs has decreased by 40-50% vs. the previous year. Our sales in Germany have declined by approximately 30% in the same period. While this is only a snapshot, it implies that the underlying progress in terms of penetration is still intact.

We continue to see a number of positive leading indicators: we have on average added three new customers per week in the first half of the year, we have not lost any of our top-100 customers in Germany and we have sold to more customers in the first half of 2022 than a year ago.

Progress towards establishing inhaled sedation as standard of care

In Q2, we achieved a major milestone by initiating our clinical program in the US, with an intention to obtain NDA approval in 2024. We are seeing new clinical trial sites open on a regular basis and we are excited about the positive feedback and the enthusiasm of the investigators and their teams. We are progressing the patient recruiting according to plan and are looking forward to the coming months.

In Europe, we have launched Sedaconda (isoflurane) in more markets. Besides Germany, it is now available in the Netherlands, Sweden and Norway. In the remaining markets, we are making progress with the pricing and reimbursement processes and – assuming no delays on the authorities' side – continue to expect launches in all major markets by the end of the year.

The second quarter has also been filled with successful conferences and peer-to-peer events. We are seeing great interest, very good attendance to our events and more and more current and future customers considering inhaled sedation a possible new standard of care.

Focus on investing for growth and prudent cost management

Despite the turbulent macro-environment and the temporary contraction of our addressable market, we remain focused on what we can control, such as driving forward with our sales growth initiatives. At the same time, we have started an initiative to reduce costs and improve spend effectiveness in administrative and overhead functions, to ensure we channel our investments on driving sales growth and to counter-balance the temporary market factors.

Lastly, I would like to thank our shareholders for your continued support. We are very happy about the fact that many of our top-15 shareholders have increased their holdings during the quarter. It is encouraging to see that you share our belief in inhaled sedation and how it may transform ICU care for ventilated patients and are looking forward to an exciting future for Sedana Medical.

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 additional markets. Besides Germany, the drug is now also available in the Netherlands, Sweden and Norway.

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" post Covid-19 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 of Sedaconda® (isoflurane) in Europe

Based on the approval of our pharmaceutical product Sedaconda (isoflurane) in 14 European countries to date, Sedana Medical's commercial priority remains to make inhaled sedation the standard of care for mechanically ventilated patients in ICUs. In the countries where approval has been obtained and local pricing and reimbursement processes have been completed, Sedana Medical can now offer the full 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.

In February, Sedana Medical reached an important milestone by shipping the first bottles of its Sedaconda (isoflurane) to customers in Germany. Since then, Sedaconda (isoflurane) has also been made available in Sweden, Norway and the Netherlands.

Assuming no delays on the authorities' side, Sedana Medical aims to launch Sedaconda (isoflurane) in its other major direct markets as well as several distributor markets during 2022. Furthermore, market authorization is expected in Poland and in the "2nd wave countries" UK, Italy, and Switzerland during the second half of 2022.

Besides daily visits to existing and future customers, our local field teams are very active in organizing conferences, peer-to-peer events and webinars. With sometimes hundreds of participants, the interest is very high and we receive positive feedback. 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 (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 SED001, 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.
- In January 2022 the UK's National Institute for Health and Care Excellence (NICE) issued positive guidance recommending Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care as an alternative to intravenous sedation (in England and Wales). Evidence-based cost modelling performed by NICE shows cost savings 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).

US study INSPiRE-ICU ramping up after first patient enrolled in Q2

During the quarter, Sedana Medical reached an important milestone in the company's history by initiating our US clinical program, aiming at obtaining NDA approval for inhaled sedation in the ICU by the end of 2024.

The US has over 100,000 ICU beds and significantly higher net price levels of sedation therapies than Europe, making the US the market with highest commercial potential for Sedana Medical. To obtain market approval in the US, Sedana Medical is conducting two randomized double-blind clinical studies to confirm and ensure efficacy and safety, based on the same set-up and end-points as the European study (SED001). After discussion with the FDA, 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 25-30 clinics.

Sedana Medical started the trial on 27 April by including the first patient. While it is early days, patient recruiting has so far gone according to plan and we can confirm our ambitious time plan to obtain approval before the year-end 2024. New clinical trial sites are being started up on a regular basis, so recruiting will further accelerate in the coming months.

Expanding the global footprint

While Sedana Medical's strategic focus is on Europe and the United States, the company is experiencing high interest from around the world in inhaled sedation in intensive care and in the medical device Sedaconda ACD.

New markets are being assessed on a continuous basis 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. The markets are served through distributors, and during the pandemic, sales increased strongly in Mexico, Colombia and Ecuador. In Q4 2021, the Sedaconda ACD was approved in Argentina (8,000 ICU beds), and in Q1 2022, it was approved in Brazil (26,000 ICU beds). To provide further support for the establishment of inhaled sedation as an ICU therapy in South America, a Sedana Medical key account manager for the region has been hired, based out of São Paulo, Brazil, to work alongside our distributors to drive sales. It is also clear that the positive market reception in Spain is contributing to raise awareness and customer interest in Latin and South America.

Financial summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	26,870	39,510	60,524	84,510	159,152
Gross profit	18,895	26,192	41,885	54,797	106,706
Gross margin %	70%	66%	69%	65%	67%
EBITDA	-23,943	-14,283	-40,387	-22,591	-50,093
EBITDA margin %	-89%	-36%	-67%	-27%	-31%
Operating income (EBIT)	-29,812	-16,370	-51,873	-26,732	-61,493
Operating margin %	-111%	-41%	-86%	-32%	-39%
Income after net financial items	-11,000	-17,162	-29,826	-26,020	-57,371
Net income	-11,148	-17,289	-30,121	-26,252	-57,966
Net income margin %	-41%	-44%	-50%	-31%	-36%
Total assets	1,132,808	572,991	1,132,808	572,991	1,167,580
Equity	1,074,166	526,488	1,074,166	526,488	1,101,456
Equity ratio %	95%	92%	95%	92%	94%
Quick ratio %	1,386%	817%	1,386%	817%	1,414%
Debt to equity ratio %	5%	9%	5%	9%	6%
Average number of full-time employees for the period	89	70	88	68	73
Number of employees at balance date	92	79	92	79	90
Number of employees and consultants at balance date	98	91	98	91	107
Average number of shares before dilution ¹⁾	99,336,960	92,186,960	99,336,960	92,186,960	92,774,631
Average number of shares after dilution ¹⁾	99,346,144	92,734,232	99,476,001	92,660,006	92,964,711
Number of shares at balance date before dilution ¹⁾	99,336,960	92,186,960	99,336,960	92,186,960	99,336,960
Number of shares at balance date after dilution ¹⁾	99,336,960	92,734,232	99,336,960	92,734,232	99,548,704
Earnings per share before dilution, SEK	-0.11	-0.18	-0.30	-0.28	-0.62
Earnings per share after dilution, SEK	-0.11	-0.18	-0.30	-0.28	-0.62

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

Group performance

Net sales

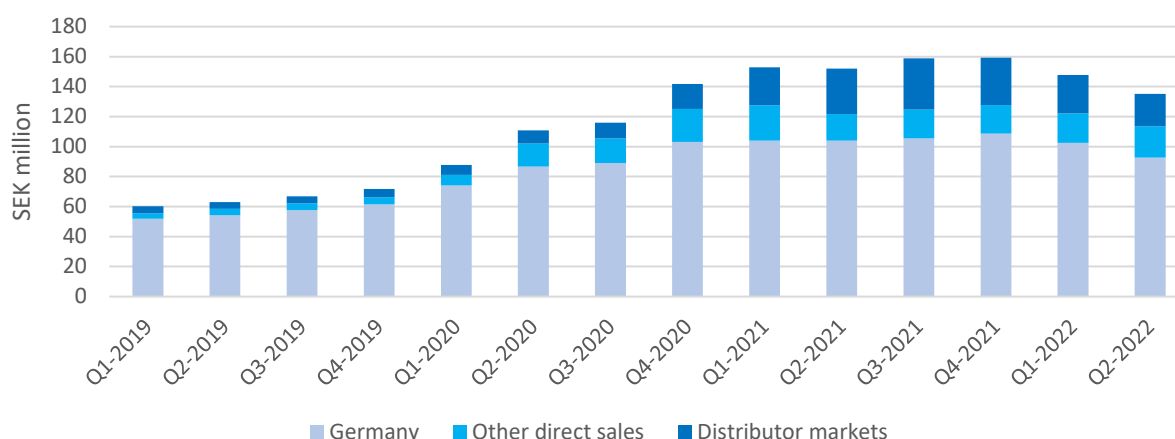
Net sales during the quarter totalled KSEK 26,870 (39,510), equivalent to a decrease of 32 percent. Adjusted for currency effects, the quarter showed a decrease of 34 percent.

Net sales for the interim period totalled KSEK 60,524 (84,510), equivalent to a decrease of 28 percent. Adjusted for currency effects, the interim period showed a decrease of 31 percent.

The majority of the Group's sales are in Europe, mainly Germany, where the decrease was 36 percent, mainly due to an unprecedented decline in the number of ventilated patients in ICUs. 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 31 percent in our other direct markets. Regarding distributor markets, the decrease mainly relates to South America, where we had strong sales in the second quarter last year, partly riven by a propofol shortage at the time, with Mexico as our second largest market. Altogether, the decrease in the distributor markets was 49 percent from the high level of sales in the first quarter last year.

(KSEK)	Apr-Jun			Jan-Jun			Jan-Dec
	2022	2021	%	2022	2021	%	2021
Germany	17,715	27,597	-36%	40,099	56,128	-29%	108,699
Other direct sales	5,095	3,875	31%	10,720	8,913	20%	19,062
Distributor markets	4,060	8,038	-49%	9,705	19,469	-50%	31,391
Total net sales	26,870	39,510	-32%	60,524	84,510	-28%	159,152

Sales by area, rolling 12 months



Gross profit and margin

Gross profit for the quarter was KSEK 18,895 (26,192), equivalent to a gross margin of 70 (66) percent. The increase is mainly an effect of price adjustments, a positive product mix with product categories with somewhat higher margins contributing relatively more to net sales than in the same quarter of the previous year, and initiatives to reduce freight costs.

Gross profit for the interim period was KSEK 41,885 (54,797), equivalent to a gross margin of 69 (65) percent. The increase is mainly an effect of lower freight costs compared to the last year.

Selling expenses

Selling expenses for the quarter totalled KSEK -27,659 (-25,901), equivalent to an increase of 7 percent. The increase is mainly a result of commenced depreciations regarding the EU registration project totalling around MSEK 3 per quarter and a larger sales force organization which were partially offset by lower expenses related to price and reimbursement applications compared to the second quarter of the previous year.

Selling expenses for the interim period totalled KSEK -54,256 (-46,754), equivalent to an increase of 16 percent. The increase is mainly a result of commenced depreciation relating to the EU registration project.

Administrative expenses

Administrative expenses for the quarter totalled KSEK -13,880 (-12,194), equivalent to an increase of 14 percent. The increase is mainly a result of low personnel expenses in the second quarter last year as a result of personnel changes.

Administrative expenses for the interim period totalled KSEK -26,441 (-25,805), equivalent to an increase of 2 percent. The increase is mainly a result of low personnel expenses in the second quarter last year as a result of personnel changes.

Research and development expenses

Research and development expenses for the quarter totalled KSEK -4,883 (-4,701), equivalent to an increase of 4 percent. The increase is mainly due to higher regulatory expenses related to sale of pharmaceutical products rather than solely medical devices, as previously.

Research and development expenses for the interim period totalled KSEK -10,197 (-8,874), equivalent to an increase of 15 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 1,876 (643) for the quarter. For the interim period other operating income was KSEK 3,717 (2,915).

Other operating expenses mainly consist of negative unrealised exchange rate differences on operating items. These totalled KSEK -4,161 (-409) for the quarter. For the interim period other operating expenses were KSEK -6,581 (-3,011).

Net financial items and earnings per share

Net financial items for the quarter totalled KSEK 18,812 (-792) and consist mainly of unrealised exchange rate differences. Net financial items for the interim period was KSEK 22,047 (712).

Group tax expense for the quarter was KSEK -148 (-127) and consists mainly of current tax in Germany. For the interim period group tax expense was KSEK -295 (-232). Consequently, earnings per share amounted to SEK -0.11 (-0.18) for the quarter and SEK -0.30 (-0.28) for the interim period.

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 June was KSEK 1,074,166, compared to KSEK 1,101,456 at the beginning of the year. This corresponds to SEK 10.81 (5.90) per share. Equity/assets ratio was 95 percent, compared to 94 percent at the beginning of the year. Debt/equity ratio at 30 June was 5 percent, compared to 6 percent at the beginning of the year. The Group had no long-term debt at 30 June.

Cash and cash position

Cash and cash equivalents decreased by KSEK 56,226 during the quarter and were KSEK 722,391 at 30 June, compared to KSEK 778,617 at the beginning of the quarter. Cash flow from operating activities before changes in working capital for the quarter was KSEK -25,092 (-13,407). Cash flow from changes in working capital totalled KSEK -13,513 (-1,597), which was negatively impacted during the quarter by increased inventory levels. Cash flow from operating activities thus totalled KSEK -38,605 (-11,810).

Cash flow from investing activities for the quarter totalled KSEK -38,822 (-23,122). 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 for the quarter totalled KSEK 2,006 (-841) 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.

Cash flow per share for the quarter was SEK -0.76 (-0.39).

During the interim period cash and cash equivalents decreased by KSEK 113,790. Cash flow from operating activities before changes in working capital was KSEK -41,380 (-22,258) for the interim period. Cash flow from changes in working capital totalled KSEK -24,752 (-2,862) and was negatively impacted during the quarter by increased inventory levels but also by lower levels of liabilities. Cash flow from operating activities thus totalled KSEK -66,132 (-25,120).

Cash flow from investing activities totalled KSEK -70,967 (-44,200). 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 802 (105) 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.

Cash flow per share for the interim period was SEK -1.37 (-0.75).

Parent company

The Parent Company's net sales for the interim period totalled KSEK 60,451 (84,521), of which intra-group sales were KSEK 3,522 (3,088).

Operating income for the period totalled KSEK -45,84424 (-24,229). Net financial items were KSEK 22,416 (1,469) and relate mainly to unrealised exchange gains on cash balances in foreign currencies.

Shareholders' equity in the Parent Company totalled KSEK 1,086,938 at 30 June 2022, compared to KSEK 1,106,528 at the beginning of the year. This corresponds to a decrease of KSEK 19,590. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents totalled KSEK 702,458, 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 second quarter was SEK 2,682 million.

The price paid for Sedana Medical shares was SEK 98.05 at the start of the year and SEK 27.00 at the end of the quarter. The lowest closing price for the interim period was recorded on 16 June and was SEK 24.56. The highest closing price was recorded on 3 January and was SEK 95.60.

Share information

	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net income, KSEK	-11,148	-17,289	-30,121	-26,252	-57,966
Cash flow, KSEK	-75,421	-35,773	-136,297	-69,215	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	915,906	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	1,074,166	526,488	1,074,166	526,488	1,101,456
Earnings per share before dilution, SEK	-0.11	-0.18	-0.30	-0.28	-0.62
Earnings per share after dilution, SEK	-0.11	-0.18	-0.30	-0.28	-0.62
Equity per share, SEK	10.81	5.90	10.81	5.90	11.09
Cash flow per share, SEK	-0.76	-0.39	-1.37	-0.75	4.89

Largest shareholders at the end of the period

	No of shares	Share
Linc AB	9,983,804	10.1%
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)	4,572,098	4.6%
Sten Gibeck	4,286,276	4.3%
Öhman Funds	4,137,821	4.2%
AMF Pension	3,870,000	3.9%
Berenberg Funds	2,282,932	2.3%
Highclere International Investors LLP	2,096,488	2.1%
Third Swedish National Pensis Fund	1,735,989	1.7%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
DNCA Finance S.A	1,597,302	1.6%
Deka Investments	1,339,540	1.3%
Avanza Pension	1,181,020	1.2%
Fifteen largest shareholders	66,243,504	66.7%
Others	33,093,456	33.3%
Total	99,336,960	100.0%

Facts about the share

Trading
Nasdaq First North Growth Market
Sweden

No of shares as per Jun 30, 2022
99 336 960

Market cap as per Jun 30, 2022
SEK 2 682 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 21 July 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 not been subject to review by the company's auditors. This document has been prepared in Swedish and English versions. In the event of any discrepancies between the Swedish and English versions, the Swedish version will take precedence.

Contacts and invitation to presentation

Johannes Doll, President and CEO, +46 76 303 66 66
Johan Spetz, CFO, +46 73 036 37 89
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

Presentation of the interim report

Sedana Medical presents the interim report to investors, asset managers, analysts and media on 21 July 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://financialhearings.com/event/43301>

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

Financial calendar

Interim report Jan-Sep, 2022 25 October 2022

Consolidated income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	26,870	39,510	60,524	84,510	159,152
Cost of goods sold	-7,975	-13,318	-18,639	-29,713	-52,446
Gross profit	18,895	26,192	41,885	54,797	106,706
Selling expenses	-27,659	-25,901	-54,256	-46,754	-96,573
Administrative expenses	-13,880	-12,194	-26,441	-25,805	-51,736
Research and development expenses	-4,883	-4,701	-10,197	-8,874	-19,704
Other operating income	1,876	643	3,717	2,915	4,013
Other operating expenses	-4,161	-409	-6,581	-3,011	-4,199
Operating income	-29,812	-16,370	-51,873	-26,732	-61,493
Financial items					
Financial income	19,364	-306	22,819	1,345	11,285
Financial expenses	-552	-486	-772	-633	-7,163
Net financial items	18,812	-792	22,047	712	4,122
Income before taxes	-11,000	-17,162	-29,826	-26,020	-57,371
Tax	-148	-127	-295	-232	-595
Net income	-11,148	-17,289	-30,121	-26,252	-57,966
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:					
Before dilution	-0.11	-0.18	-0.30	-0.28	-0.62
After dilution	-0.11	-0.18	-0.30	-0.28	-0.62
EBITDA	-23,943	-14,283	-40,387	-22,591	-50,093
Amortisation of intangible assets	-4,070	-426	-7,876	-851	-4,720
Depreciation of tangible assets	-1,799	-1,661	-3,610	-3,290	-6,680
Operating income (EBIT)	-29,812	-16,370	-51,873	-26,732	-61,493

Consolidated statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net income	-11,148	-17,289	-30,121	-26,252	-57,966
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	-1,027	181	-1,210	-114	-322
Other comprehensive income, net after tax	-1,027	181	-1,210	-114	-322
Total comprehensive income	-12,175	-17,108	-31,331	-26,366	-58,288
Total comprehensive income as a whole attributable to the parent company's shareholders	-12,175	-17,108	-31,331	-26,366	-58,288

Consolidated balance sheet, summary

(KSEK)	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
Intangible assets			
Capitalised development expenditure	330,774	206,795	268,201
Concessions, patents, licenses, etc.	2,523	2,351	1,786
Tangible assets			
Machinery and other technical facilities	1,102	6,362	1,309
Equipment, tools and installations	5,502	1,172	6,154
Rights of use	9,876	9,667	9,324
Financial assets			
Other long-term assets	44	42	42
Deferred tax assets			
	28	31	23
Total fixed assets	349,849	226,420	286,839
Inventory	32,358	10,714	11,093
Tax receivables	720	457	410
Accounts receivable	14,441	18,458	20,345
Prepayments and accrued income	8,028	5,881	7,115
Other receivables	5,021	3,276	5,597
Cash and cash equivalents	722,391	307,785	836,181
Total current assets	782,959	346,571	880,741
TOTAL ASSETS	1,132,808	572,991	1,167,580

(KSEK)	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	2,483	2,305	2,483
Other contributed capital	1,226,436	615,683	1,222,395
Translation difference	-1,026	392	184
Retained earnings including net profit	-153,727	-91,892	-123,606
Equity attributable to the parent company's shareholders	1,074,166	526,488	1,101,456
Non-current liabilities			
Leasing liabilities	4,489	5,414	4,642
Total non-current liabilities	4,489	5,414	4,642
Current liabilities			
Leasing liabilities	4,902	3,779	4,232
Accounts payable	10,230	12,577	15,036
Tax debt	3,548	2,949	3,997
Other liabilities	6,425	7,038	18,473
Accrued expenses and deferred income	29,048	14,746	19,744
Total current liabilities	54,153	41,089	61,482
Total liabilities	58,642	46,503	66,124
TOTAL EQUITY AND LIABILITIES	1,132,808	572,991	1,167,580

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
Opening equity at Jan 1, 2021	2,305	613,923	506	-65,640	551,094
Net income	-	-	-	-26,252	-26,252
Other comprehensive income	-	-	-114	-	-114
Total comprehensive income	-	-	-114	-26,252	-26,366
Transactions with the Group's owners					
Received premium for warrant subscription	-	1,760	-	-	1,760
Total transactions with the Group's owners	-	1,760	-	-	1,760
Closing equity at Jun 30, 2021	2,305	615,683	392	-91,892	526,488

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings including net profit	Total
Opening equity at Jan 1, 2022	2,483	1,222,395	184	-123,606	1,101,456
Net income	-	-	-	-30,121	-30,121
Other comprehensive income	-	-	-1,210	-	-1,210
Total comprehensive income	-	-	-1,210	-30,121	-31,331
Transactions with the Group's owners					
Received premium for warrant subscription	-	4,628	-	-	4,628
Repurchase of warrants	-	-97	-	-	-97
Costs related to warrant programme	-	-490	-	-	-490
Total transactions with the Group's owners	-	4,041	-	-	4,041
Closing equity at Jun 30, 2022	2,483	1,226,436	-1,026	-153,727	1,074,166

Consolidated cash flow statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Operating activities					
Operating income	-29,812	-16,370	-51,873	-26,732	-61,493
<i>Adjustments for non-cash items</i>					
Depreciations and amortisations	5,869	2,087	11,486	4,141	11,400
Exchange rate differences	-1,976	102	-1,740	-1,333	-4,080
Other non-cash items	1,038	652	1,152	1,783	1,927
Interest received	1	0	1	0	0
Interest paid	-61	-66	-124	-116	-243
Taxes paid	-151	188	-282	-1	-320
Cash flow from operating activities before changes in working capital	-25,092	-13,407	-41,380	-22,258	-52,809
<i>Cash flow from changes in working capital</i>					
Cash flow from inventories	-14,919	1,026	-21,265	-1,916	-2,296
Cash flow from operating receivables	1,772	-1,514	4,907	2,539	-2,169
Cash flow from operating liabilities	-366	2,085	-8,394	-3,485	16,053
Cash flow from operating activities	-38,605	-11,810	-66,132	-25,120	-41,221
Investing activities					
Investments in intangible assets	-38,721	-22,412	-70,381	-40,508	-105,063
Investments in tangible assets	-101	-710	-586	-3,692	-5,192
Cash flow from investing activities	-38,822	-23,122	-70,967	-44,200	-110,255
Financing activities					
New share issue	-	-	-	-	614,900
Issue expenses	-	-	-	-	-7,946
Amortisation of leasing liabilities	-1,094	-841	-2,201	-1,655	-3,579
Received premium for warrant subscription	3,590	-	3,590	1,760	1,696
Repurchase of warrants	-	-	-97	-	-
Costs related to warrant programme	-490	-	-490	0	0
Cash flow from financing activities	2,006	-841	802	105	605,071
Cash flow for the period	-75,421	-35,773	-136,297	-69,215	453,595
Cash and cash equivalents at the beginning of the period	778,617	343,619	836,181	376,171	376,171
Translation difference	19,195	-61	22,507	829	6,415
Cash and cash equivalents at the end of the period	722,391	307,785	722,391	307,785	836,181

Consolidated quarterly summary, income statement

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

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

Consolidated quarterly summary, balance sheet

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

Consolidated quarterly summary, cash flow statement

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

Parent company income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	26,825	39,554	60,451	84,521	159,107
Cost of goods sold	-7,141	-9,487	-16,876	-24,422	-49,662
Gross profit	19,684	30,067	43,575	60,099	109,445
Selling expenses	-16,260	-17,357	-31,642	-27,674	-58,487
Administration costs	-28,598	-28,501	-55,499	-56,326	-102,312
Research and development costs	-3,817	-2,546	-8,178	-6,855	-15,592
Other operating income	4,633	4,286	12,202	7,800	15,766
Other operating expenses	-4,098	-396	-6,302	-1,273	-3,981
Operating income	-28,456	-14,447	-45,844	-24,229	-55,161
Financial items					
Financial income	19,345	34	23,044	1,992	12,621
Financial expenses	-473	-426	-628	-523	-21,088
Net financial items	18,872	-392	22,416	1,469	-8,467
Income after net financial items	-9,584	-14,839	-23,428	-22,760	-63,628
Group contribution	-	-	-	-	-1
Income before tax	-9,584	-14,839	-23,428	-22,760	-63,629
Income tax	-	-	-	-	-
Net income	-9,584	-14,839	-23,428	-22,760	-63,629

Parent company statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net income	-9,584	-14,839	-23,428	-22,760	-63,629
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	-140	56	-203	-44	-93
	-140	56	-203	-44	-93
Other comprehensive income, net after tax					
Total comprehensive income	-9,724	-14,783	-23,428	-22,804	-63,722

Parent company balance sheet, summary

(KSEK)	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
Intangible assets			
Capitalised development expenditure	311,550	195,420	253,928
Tangible assets			
Machinery and other technical facilities	808	5,276	835
Equipment, tools and installations	4,911	568	5,389
Financial assets			
Other long-term assets	404	404	404
Non-current receivables, group companies	31,891	39,648	29,819
Total fixed assets	349,564	241,316	290,375
Inventory	32,358	10,786	11,093
Tax receivables	4	4	4
Accounts receivable	12,613	17,383	17,934
Receivables, group companies	35,910	7,679	19,158
Prepayments and accrued income	7,481	5,237	5,721
Other receivables	3,658	2,207	4,336
Cash and cash equivalents	702,458	297,062	816,279
Total current assets	794,482	340,358	874,525
TOTAL ASSETS	1,144,046	581,674	1,164,900

(KSEK)	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	2,483	2,305	2,483
Fund for capitalised development expenses	304,619	191,653	246,451
<i>Non-restricted equity</i>			
Share premium fund	1,226,436	615,683	1,222,395
Retained earnings	-423,172	-246,325	-301,172
Net income	-23,428	-22,760	-63,629
Equity attributable to the parent company's shareholders	1,086,938	540,556	1,106,528
Current liabilities			
Accounts payable	9,836	11,957	13,662
Liabilities to group companies	14,849	11,002	10,937
Tax debt	3,062	1,436	2,118
Other liabilities	4,739	4,501	16,027
Accrued expenses and deferred income	24,622	12,222	15,628
Total current liabilities	57,108	41,118	58,372
Total liabilities	57,108	41,118	58,372
TOTAL EQUITY AND LIABILITIES	1,144,046	581,674	1,164,900

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
(KSEK)					
Opening equity at Jan 1, 2021	2,305	154,405	613,923	-209,033	561,600
Net income	-	-	-	-22,760	-22,760
Other comprehensive income	-	-	-	-44	-44
Total comprehensive income	-	-	-	-22,804	-22,804
Changes in reported values that are reported directly against equity					
Received premium for warrant subscription	-	-	1,760	-	1,760
Total changes in reported values that are reported directly against equity	-	-	1,760	-	1,760
Reallocation between items in equity					
Capitalised development expenses	-	37,248	-	-37,248	-
Total reallocations	-	37,248	-	-37,248	-
Closing equity at Jun 30, 2021	2,305	191,653	615,683	-269,085	540,556

	Restricted equity		Non-restricted equity		Total
	Share capital	Fund for capitalised development expenses	Share premium fund	Retained earnings including net income	Total equity
(KSEK)					
Opening equity at Jan 1, 2022	2,483	246,451	1,222,395	-364,801	1,106,528
Net income	-	-	-	-23,428	-23,428
Other comprehensive income	-	-	-	-203	-203
Total comprehensive income	-	-	-	-23,631	-23,631
Changes in reported values that are reported directly against equity					
Received premium for warrant subscription	-	-	4,628	-	4,628
Repurchase of warrants	-	-	-97	-	-97
Costs related to warrant programme	-	-	-490	-	-490
Total changes in reported values that are reported directly against equity	-	-	4,041	-	4,041
Reallocation between items in equity					
Capitalised development expenses	-	58,168	-	-58,168	-
Total reallocations	-	58,168	-	-58,168	-
Closing equity at Jun 30, 2022	2,483	304,619	1,226,436	-446,600	-1,086,938

Parent company cash flow statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Operating activities					
Operating income	-28,456	-14,447	-45,844	-24,229	-55,161
<i>Adjustments for non-cash items</i>					
Depreciations and amortisations	4,100	505	7,841	1,028	4,911
Exchange rate differences	571	2,135	768	-212	-2,671
Other non-cash items	1,038	362	1,113	794	936
Interest received	0	0	0	0	0
Interest paid	-1	-11	-1	-11	-23
Taxes paid	-	237	-	49	-
Cash flow from operating activities before changes in working capital	-22,748	-11,219	-36,123	-22,581	-52,008
<i>Cash flow from changes in working capital</i>					
Cash flow from inventories	-13,860	1,291	-21,265	-1,540	-1,848
Cash flow from operating receivables	7,024	96,711	-12,536	91,520	-26,003
Cash flow from operating liabilities	-17,639	-97,699	-1,263	-96,053	24,296
Cash flow from operating activities	-47,223	-10,916	-71,187	-28,654	-55,563
Investing activities					
Investments in intangible assets	-35,565	-21,621	-64,420	-39,160	-100,581
Investments in tangible assets	-100	-430	-586	-2,694	-4,183
Investments in financial assets	-	-8	-	-8	-3,046
Cash flow from investing activities	-35,665	-22,059	-65,006	-41,862	-107,810
Financing activities					
New share issue	-	-	-	-	614,900
Issue expenses	-	-	-	-	-7,946
Received premium for warrant subscription	3,590	-	3,590	1,760	1,696
Costs related to warrant programme	-490	-	-490	0	0
Repurchase of warrants	0	-	-97	-	-
Cash flow from financing activities	3,100	-	3,003	1,760	608,650
Cash flow for the period	-79,788	-32,975	-133,190	-68,756	445,277
Cash and cash equivalents at the beginning of the period	765,449	329,969	816,279	365,113	365,113
Translation difference	16,797	68	19,369	705	5,889
Cash and cash equivalents at the end of the period	702,458	297,062	702,458	297,062	816,279

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.

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. For further information regarding definitions, see page 25.

Risk

Sedana Medical's operations, earnings and financial position are affected by a number of risk factors. These are principally related to demand for medical devices, fluctuating exchange rates and access to funding. More information about Sedana Medical's risks and management of these risks can be found in the 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 (68) full time employees and 7 (11) full time consultants, representing an increase of 17 on the same period in 2021. At the end of the quarter, the total number of employees was 92 and the total number of consultants was 6 compared to 79 and 12 respectively at the end of the second quarter last year. The main reason for the increase in personnel is a build-up of functions such as sales, marketing, medical affairs and regulatory and quality functions prior to the registration and launch of Sedaconda (isoflurane).

Transactions with related parties

Transactions with related parties take place on market terms. During 2021, Sedana Medical provided a loan amounting to SEK 300,000 to Stefan Krisch. 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.

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 June 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	-	-	-	-	-	1:1	35.56
2019/2022	Senior management	125,172	-	-	-	125,172	1:1	35.56
2019/2022	Other employees	197,264	-	-	-	197,264	1:1	35.56
2019/2022	Total	322,436	-	-	-	322,436	1:1	35.56
<i>Exercise period 1 July 2022 – 30 November 2022</i>								
2020/2023	CEO	-	-	-	-	-	1:1	83.65
2020/2023	Senior management	16,000	-	-	7,920	8,080	1:1	83.65
2020/2023	Other employees	26,480	-	-	4,000	22,480	1:1	83.65
2020/2023	Total	42,480	-	-	11,920	30,560	1:1	83.65
<i>Exercise period 1 June 2023 – 30 September 2023</i>								
2020/2024	CEO	-	-	-	-	-	1:1	123.88
2020/2024	Senior management	25,200	-	-	-	25,200	1:1	123.88
2020/2024	Other employees	123,252	-	-	-	123,252	1:1	123.88
2020/2024	Total	148,452	-	-	-	148,452	1:1	123.88
<i>Exercise period 1 February 2024 – 31 May 2024</i>								
2022/2025:1	CEO	-	495,000	-	-	495,000	1:1	46.24
2022/2025:1	Senior management	-	-	-	-	-	1:1	46.24
2022/2025:1	Other employees	-	-	-	-	-	1:1	46.24
2022/2025:1	Total	-	495,000	-	-	495,000	1:1	46.24
<i>Exercise period 30 May 2025 - 30 September 2025</i>								
2022/2025:2	CEO	-	-	-	-	-	1:1	46.24
2022/2025:2	Senior management	-	283,390	-	-	283,390	1:1	46.24
2022/2025:2	Other employees	-	46,606	-	-	46,606	1:1	46.24
2022/2025:2	Total	-	329,996	-	-	329,996	1:1	46.24
<i>Exercise period 30 May 2025 - 30 September 2025</i>								
Total	CEO	-	495,000	-	-	495,000		
Total	Senior management	166,372	283,390	-	7,920	441,842		
Total	Other employees	346,996	46,606	-	4,000	389,602		
	Total	513,368	824,996	-	11,920	1,326,444		

* 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%