

INTERIM REPORT Q1

JANUARY-MARCH 2018
SEDANA MEDICAL AB (PUBL)



Q1 Q2 Q3 Q4

SEDANA MEDICAL, INTERIM REPORT Q1, JANUARY – MARCH 2018

Financial Summary January-March

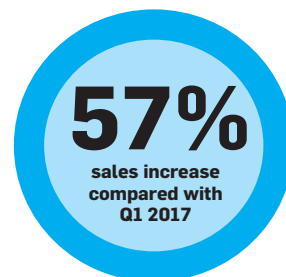
- Net sales during the third quarter amounted to 15 487 (9 892) KSEK corresponding to an increase of 57% compared with the same period in 2017.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to -788 (408) KSEK. This corresponds to an EBITDA margin of -5,1% (4,1%).
- Earnings before interest and taxes (EBIT) amounted to -1 730 (270) KSEK, which corresponds to an EBIT margin of -11,2% (2,7%).
- Cash flow from operations before changes in working capital amounted to -821 (279) KSEK.
- Liquid funds at the end of the period amounted to 79 213 (12 624) KSEK.

Significant events during the period

- The number of shares increased by 208,000 due to conversion of options, program 2014/2019.
- Peter Sackey took office as Medical Director on January 8, 2018.
- Sedana Medical AB (publ) started its own sales operations in Norway and Denmark.

Significant events after the period

- Sedana Medical AB (publ) announced that the schedule for patient recruitment for the ongoing phase 3 study IsoConDa is likely to be prolonged.
- Sedana Medical AB (publ) announced record increase in sales in the first quarter of 2018.



CEO COMMENTS

The first quarter of the year is now complete. We have reported a record sales increase of almost 60% in the first quarter of 2018 compared with the corresponding period in 2017, which is more than anticipated. The use of inhalation sedation with AnaConDa technology is spreading throughout Europe, which is in line with our strategy. However, our registration study IsoConDa has encountered certain challenges during the period, which we are confident we will be able to solve.

Our vision of developing inhalation sedation with IsoConDa and AnaConDa into a global standard method for sedation of mechanically ventilated patients in intensive care remains firm. In the first quarter of 2018, we delivered significantly better sales increases compared with our previously stated ambition of delivering an annual average sales growth of more than 20% until the registration of IsoConDa in Europe. We will also deliver an EBITDA result that will not be significantly negative, in parallel with building a larger sales and marketing organisation. It is our ambition to reach annual sales in excess of 500 MSEK and have an EBITDA margin of around 40% three years after the registration of IsoConDa in Europe.

SALES DEVELOPMENT

Germany is still the engine of our sales development. We are glad to see that there are not only new clinics taking up the therapy, but also that existing clinics, already using AnaConDa, extend the number of ICU beds where our therapy is used. In France, we have increased our sales resources which has shown results, as nearly 50 clinics use our product there now. Even in Spain, usage has increased during the first quarter of the year, albeit from low levels. The Nordic region, which recently was appointed a direct sales market, has also generated new clinics. In Norway, where we recently hired a Key Account Manager, we now have 6 clinics using AnaConDa regularly. In line with our plans, the operational costs increase as we develop the organisation and increase our market presence. This generated an EBITDA for the first quarter of -788 KSEK.

During the quarter, we conducted our first global Advisory Board during an international congress in Brussels. The interest was great among international medical specialists in the field, and we had participants from the US, Canada, Belgium, France and Germany. During the same congress, we made our largest marketing effort ever, with exhibitions and several symposia, attracting great interest from existing and future customers.

REGULATORY AND MEDICAL DEVELOPMENTS

The most important task we have for the next few years is to register inhalation sedation with our drug candidate IsoConDa (isoflurane) in Europe and then the US.

To succeed, we need to complete our clinical registration study which is currently in progress in Germany. Performing clinical studies in intensive care is challenging and complex and

requires much effort from both sponsors and testers. Unfortunately, the inclusion rate of new patients has been temporarily slowed down following an on-site inspection that raised questions about the inclusion procedure for some unconscious patients. We now have an ongoing dialogue with inspectors and authorities to solve the problem so that the study can return to normal as soon as possible, something that all parties are interested in. The impact of the situation is premature to estimate, but it is likely that the study schedule will be extended slightly. In the study an interim analysis will be made which ultimately determines how many patients need to participate in the study and thus when the study can be completed.

Because of the situation we cannot yet communicate when the interim analysis is to be completed. We will communicate around this as soon as a new time schedule is established.

Work on preparing for a US registration of both pharmaceuticals and medical devices is ongoing, and we are confident that we will have a plan completed in 2018 how to register the therapy in the US.

In summary, I am very pleased with the sales development of our products and the fact that more clinics are starting to use the therapy more frequently as well as new ones are being added in several European countries. It shows that Sedana Medical is well placed to pioneer the process of offering 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



“The use of inhalation sedation with AnaConDa technology is spreading throughout Europe.”



SEDANA MEDICAL IN BRIEF

SEDANA MEDICAL is a Swedish medical technology Group which develops, manufactures and sells the medical device AnaConDa and its associated accessories. AnaConDa is based on patented technology involving the vaporisation and reflection of anaesthetic gases. The device is sold to intensive care clinics in a number of countries for use in conjunction with inhalation sedation of patients, which has many medical benefits compared to intravenous sedation.

Sedana Medical operates from several countries in Europe via subsidiaries and branch offices of the parent company, Sedana Medical AB (publ). Germany is comfortably the Group's largest market, with more than 85% of total sales. Direct sales via in-house personnel also take place in France, Spain and the Nordic region.

A major clinical registration study is currently under way with the aim of having the pharmaceutical IsoConDa® (isoflurane) approved for inhalation sedation within intensive care in Europe, together with AnaConDa.

The company conducts research and development in Ireland and has its head office in Stockholm, Sweden. In June 2017, the company's share was listed on the Nasdaq First North stock exchange.

LARGEST SHAREHOLDERS AT THE END OF THE PERIOD

Shareholders in the company at the end of the period:

	Antal aktier	Andel
Sten Gibeck	2 105 744	12,19%
Linc AB	1 821 901	10,54%
Magiola Consulting	1 427 867	8,26%
Michael Ryan	1 108 083	6,41%
HealthInvest Partners AB	1 037 182	6,00%
Ron Farrell	898 897	5,20%
Alto Invest SA	748 228	4,33%
Brohuvudet AB	512 800	2,97%
Zaragatero Ltd	503 404	2,91%
Eklund Konsulting AB	474 156	2,74%
Ten largest shareholders	10 638 262	61,56%
Others *	6 642 276	38,44%
Totalt **	17 280 538	100,00%

* CEO's number of shares, 260 000.

** During February 2018 the total number of shares has increased with 208 000 as a consequence of exercise of conversion of options in program 2014/2019.



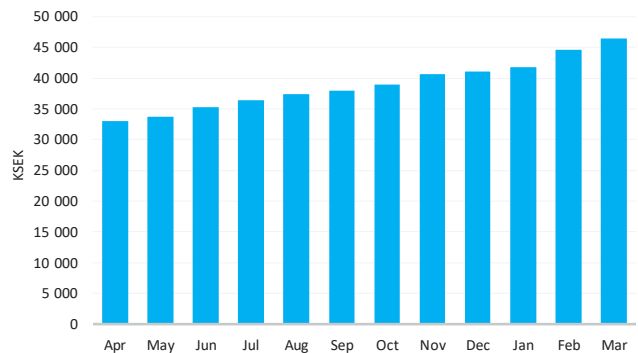
BUSINESS DEVELOPMENTS DURING THE PERIOD

Sales and Market

In connection with being listed, Sedana Medical announced an ambition to increase sales on average by 20% per year until the registration of the drug IsoConDa. For the full year of 2017, sales increased by 26% compared with 2016. Sales during the first quarter of 2018 showed an increase of 57% compared with the corresponding period in 2017 and, adjusting for a strong Euro, the increase was approximately 50%. Sales in Germany continue to increase sharply and represent 88% of total sales. The main reason for this increase is that many clinics have increased the use of inhalation sedation, but also that several new clinics have begun to apply the therapy. France has now begun to gain momentum from a low starting point.

With an expanded sales organisation in Germany, France, and the Nordic region, we see that demand is increasing for our products. Market presence is important for increasing product awareness and awareness of inhalation sedation therapy. Our strategy is to build a direct sales organisation in the major European countries prior to the registration of the drug candidate IsoConDa by 2020. This is what is happening now, resulting in positive sales trends.

Sales revenues, 12 months rolling



” With an expanded sales organisation in Germany, France, and the Nordic region, we see that demand is increasing for our products.



Research and development

REGISTRATION OF ISOCONDA® (ISOFLURANE) IN EUROPE

In order to register the drug candidate IsoConDa in Europe, the company has initiated a clinical registration study in Germany, which is currently under way. Once submitted, a registration application process usually takes around 10 to 16 months to be approved by the Medicines Agency, depending on the nature of any questions the Agency might have. The process of compiling a complete pharmaceutical dossier has therefore been started together with our partners within the area.

REGISTRATION STUDY FOR ISOCONDA

The clinical registration study, which is necessary for a complete dossier, is ongoing in Germany. Recruitment of patients is ongoing and we are working to increase the number of approved clinics that are able to recruit patients. Performing clinical studies in intensive care is challenging, as many patients are often in critical condition and are unconscious when being included in the study. The study protocol is approved, and the guidelines for how to apply in connection with the recruitment

of these patients are followed strictly. In connection with an on-site inspection of the study, a local authority has raised questions about aspects of the approach for the inclusion of some unconscious patients who were unable to give their own consent before inclusion in the study. The company is conducting in-depth dialogue with inspectors and local authorities to resolve the situation and will provide new information as soon as it becomes available. An interim analysis is planned in order to determine the final number of patients to be included in the study. The company will come back with a time schedule when the interim analysis result is to be communicated.

REGISTRATION IN THE US

Work to establish a regulatory plan for the registration of inhalation sedation in the US, including AnaConDa and IsoConDa, is ongoing. The European IsoConDa study will also form an important part of the registration application in the US. Likely, a further study will be required in order to secure registration in the US. The company is striving for registration in the US by 2022 but will communicate the plans for the US later in 2018.

Financial Summary, January – March 2018

Financial summary - Consolidated (SEK)

	Q1		Year
	2 018	2017	2017
Net sales	15 486 658	9 891 522	40 427 741
Gross Profit	10 789 212	6 568 632	29 661 735
Gross Margin (%)	69,7%	66,4%	73,4%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-788 272	407 615	-736 236
Earnings Before Interest and Taxes (EBIT)	-1 729 911	269 786	-3 487 833
Income after financial items	10 885	-117 072	-4 601 153
Net income	-87 026	-542 385	-3 875 657
EBITDA %	-5,1%	4,1%	-1,8%
EBIT %	-11,2%	2,7%	-8,6%
Net income % of net sales	-0,6%	-5,5%	-0,6%
Total assets	129 459 841	30 992 580	131 376 324
Equity	116 603 916	748 691	116 403 288
Equity ratio	90,1%	2,4%	88,6%
Quick ratio	678,4%	74,2%	640,4%
Average number of employees	24	16	16
Average number of shares before dilution	17 176 538	2 170	8 537 354
Average number of shares after dilution	18 422 687	2 430	9 212 559
Number of shares at the end of the period before dilution	17 280 538	2 170	17 072 538
Number of shares at the end of the period after dilution	18 422 687	2 430	18 422 687
Earnings per share before dilution ¹⁾	-0,01	-249,95	-0,45
Earnings per share after dilution ¹⁾	0,00	-223,20	-0,42

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

REVENUES

Total revenues for the Group during the first quarter amounted to 15 842 (10 509) KSEK which corresponds to an increase of 5 334 KSEK or 51 percent. The increase is mainly due to an increase in net sales of 5 595 (57%). The Group's sales are exclusively in EUR, and corresponding increase in sales compared to same period previous year cleared of exchange rate effects were 49%.

Revenues for the first quarter also contain other operating revenues of 355 (44) KSEK. The increase is mainly due to positive exchange rate differences. Revenues for quarter 1, 2017 contain include capitalized development expenses of 573 KSEK. The same item is also included in other operating expenses, and illustrates the capitalization of development expenses in accordance with a gross reporting principle. As of quarter three 2017, the Group has ceased to apply this gross reporting principle and now reports capitalized development expenses on a net basis under other operating expenses. Please see the note on accounting principles for more information.

COST OF GOODS SOLD

The cost of goods sold during the first quarter amounted to 4 697 (3 323) KSEK, which corresponds to an increase of 1 375 KSEK or 41 %. The increase is mainly due to increased sales.

OTHER EXTERNAL EXPENSES

Other external expenses amounted to 5 794 (3 523) KSEK, which corresponds to an increase of 2 001 KSEK or 64 %. The

other external expenses item includes (among other things) consultancy fees, marketing and sales expenses, accounting expenses, travel expenses and patent costs. The increase is primarily attributable to an increase in marketing and sales expenses which is in line with the strategy of the Group.

PERSONNEL EXPENSES

Personnel expenses in the Group amounted to 6 055 (3 227) KSEK during the first quarter which corresponds to an increase of 2 829 KSEK or 88 %. During the first quarter there were 24 employees in the Group on average, which was an increase of 8 employees compared with the same period in 2017. The main reason for the increase in personnel expenses is more employees but also a different structure and new positions. The personnel expenses for quarter 1 includes restructuring expenses of 433 KSEK.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation amounted to 942 (138) KSEK which corresponds to an increase of 804 KSEK or 583 percent. The increase is due to increased amortisation of intellectual property rights and a reclassification of assets. Amortisation of intangible assets increased as a result of the acquisition of remaining IP rights in relation to AnaConDa which took place in Q2. A reclassification between current assets and fixed assets was carried out in Q3 in relation to the gas monitors owned by the Group. The entire year's effect of the reclassification of the gas monitors has been reported in Q3. Please see the section on accounting principles for more information.



OPERATING INCOME

The operating income for the Group amounted to -1 730 (270) KSEK, during the first quarter, which corresponds to a decrease of 2 000 KSEK or 741%. The decrease is explained by increased expenses in connection with the strategy for the Group set in June 2017 as well as increased depreciations and amortisations.

FINANCIAL ITEMS

Net income from financial items amounted to 1 741 (-387) KSEK during the first quarter. The increase compared with same period previous year is explained by positive exchange rate differences.

TAXES

The Group reported taxes of -98 (-425) KSEK for the first quarter. The tax charges are primarily due to changes in deferred tax.

NET INCOME

The Group reported a net income after taxes of -87 (-542) KSEK for the first quarter. The improvement during the first quarter 2018 compared with the same period previous year is mainly due to a positive net income from financial items and lower taxes.

EQUITY AND LIABILITIES

Equity as of 31 March 2018 amounted to 116 604 (749) KSEK, which corresponds to an increase of 115 855 KSEK. The increase is due to the new share issue that was carried out in connection with the listing of the company's share on Nasdaq First North, and the overallotment option that was exercised in quarter three 2017.

Shareholders' equity in the Parent Company, Sedana Medical AB (publ), amounted to 123 234 (7 953) KSEK as of 31 March 2018, corresponding to an increase of 115 281 KSEK. The share capital increased during the first quarter of 2018 with 20 KSEK, as option holders in option program 2014/2019 chose to convert options into shares during the quarter.

Long-term liabilities at the end of the period amounted to 0 (6 590) KSEK.

Current liabilities at the end of the period amounted to 12 856 (23 654) KSEK and consisted mainly of accounts payable of 5 364 (4 209) KSEK and accrued expenses of 6 438 (2 173) KSEK.

CASH FLOW

Liquid funds at the end of the period amounted to 79 213 (12 624) KSEK. Cash flow from operations before changes in working capital amounted to -821 (279) KSEK for the first quarter.

Cash flow from operations after changes in working capital amounted to -2 372 (1 081) KSEK. The negative change in working capital is due to an increase in inventory and a decrease in operating liabilities.

Cash flow from investments amounted to -4 381 (-2 740) KSEK. The investments for the first quarter consist primarily of intangible fixed assets related in the most part to capitalized development expenses, the majority of which concern the clinical study for IsoConDa.

Cash flow from financing activities totalled a net of 474 (6 003) KSEK, which concern conversion of options to shares in option program 2014/2019.

The Group had a negative total cash flow for the first quarter of, -6 279 (4 344) KSEK.

PARENT COMPANY

Sedana Medical AB (publ), corporate identity number 556670-2519, is the parent company in the Group. Its operations consist of clinical development and sales as well as administrative and management functions. The parent company also has branch offices in Germany and Spain, where operations consist of sales and warehousing of products.

The parent company's total revenues amounted to 15 635 (10 147) KSEK for the first quarter. The operating income amounted to -2 992 (-1 089) KSEK, which corresponds to a decrease of 1 903 KSEK. The net income from financial items amounted to 1 947 (-273) KSEK during the first quarter. The increase in net income from financial items, compared with same period previous year, is due to positive exchange rate differences. Net income amounted to -1 052 (-1 362) KSEK for the first quarter.

Liquid funds at the end of the period amounted to 77 793 (12 005) KSEK, an increase of 65 788 KSEK. This increase is due to the new share issue that was carried out in connection with the listing of the company's share on Nasdaq First North in June 2017 and the exercise of the overallotment option that took place in quarter 3 same year.

Other information

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are conducted on market terms. During the period, the subsidiary company Sedana Medical Ltd has purchased goods at a value of 1 421 KSEK from Lismed Ltd., a company related to the R&D Director and owner Ron Farrell.

The subsidiary company Sedana Medical Ltd has also purchased services at a value of 270 KSEK during the first quarter from Tecscan Ltd., a company related to the board member Michael Ryan.

Sedana Medical AB (publ) has purchased services at a value of 2 KSEK from Magiola Consulting AB, a company related to the board member Ola Magnusson.

Consolidated Income Statement

(SEK)	Q1		Year
	2 018	2017	2017
Revenues			
Net sales	15 486 658	9 891 522	40 427 741
Capitalized development expenses	0	573 220	1 290 937
Other operating income	355 491	43 794	1 571 713
	15 842 149	10 508 536	43 290 391
Operating cost and expenses			
Cost of goods sold	-4 697 446	-3 322 890	-10 766 006
External expenses	-5 794 100	-3 523 029	-16 825 431
Personnel expenses	-6 055 606	-3 226 523	-16 194 641
Depreciation and amortisation	-941 639	-137 829	-2 751 597
Other operating expenses	-83 269	-28 479	-240 549
Operating income	-1 729 911	269 786	-3 487 833
Income from financial items			
Financial income	2 107 691	411 701	2 749 890
Financial expenses	-366 895	-798 559	-3 863 210
Income after financial items	10 885	-117 072	-4 601 153
Income before taxes	10 885	-117 072	-4 601 153
Taxes	-97 911	-425 313	725 496
Net Income	-87 026	-542 385	-3 875 657



Consolidated Balance Sheet

(SEK)	31 March		31 December
	2 018	2017	2017
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenses	25 527 172	6 786 802	20 721 889
Concessions, patents, licenses and similar	5 839 872	0	5 743 685
	31 367 044	6 786 802	26 465 574
Tangible assets			
Building and land	122 388	0	94 587
Machinery and equipment	3 693 261	115 522	2 824 845
Fixtures and tools	464 645	1 435 752	1 432 644
	4 280 294	1 551 274	4 352 076
Financial assets			
Deferred taxes	1 388 929	295 903	1 459 648
	1 388 929	295 903	1 459 648
Total fixed assets	37 036 267	8 633 979	32 277 298
Current assets			
Inventory			
Finished goods	5 203 840	4 017 532	3 205 411
Advances to suppliers		789 936	
	5 203 840	4 807 468	3 205 411
Receivables			
Trade receivables	4 869 450	2 611 275	3 481 210
Tax receivables	910 731	200 698	406 410
Other current receivables	953 476	614 709	2 672 633
Prepaid expenses and accrued income	1 273 409	1 500 132	4 011 715
	8 007 066	4 926 814	10 571 968
Cash and cash equivalents	79 212 668	12 624 319	85 321 647
Total current assets	92 423 574	22 358 601	99 099 026
TOTAL ASSETS	129 459 841	30 992 580	131 376 324

(SEK)	31 March		31 December
	2 018	2017	2017
EQUITY AND LIABILITIES			
Equity			
Share capital	1 728 055	217 000	1 707 254
Other equity including net income for the period	114 875 861	531 691	114 696 034
Equity attributable to shareholders in parent company	116 603 916	748 691	116 403 288
Total equity	116 603 916	748 691	116 403 288
Provisions			
Deferred taxes	0	0	0
Other provisions		0	
	0	0	0
Long-term liabilities			
Liabilities to credit institutions	0	689 806	0
Convertible loans	0	4 100 000	0
Other long term liabilities	0	1 800 000	0
	0	6 589 806	0
Current liabilities			
Liabilities to credit institutions	57 456	6 040 964	3 644
Accounts payables	5 363 593	4 208 632	7 873 127
Tax liabilities	71 218	0	0
Other current liabilities	925 730	11 231 659	1 591 191
Accrued expenses and prepaid income	6 437 928	2 172 828	5 505 074
	12 855 925	23 654 083	14 973 036
TOTAL EQUITY AND LIABILITIES	129 459 841	30 992 580	131 376 324

Consolidated statement of changes in equity

(SEK)	Q1		Year
	2 018	2017	2017
Opening balance according to balance sheet	116 403 288	1 261 796	1 261 796
Adjustments			0
Adjusted opening balance	116 403 288	1 261 796	1 261 796
Changes in the carrying amounts recognised directly in equity			
Translation differences	-186 346	29 280	-340 911
Transactions with the group's owners			
New issue of shares	520 000	0	114 999 983
Conversion of loans			16 668 867
Issue expenses	-46 000	0	-12 310 790
Net income	-87 026	-542 385	-3 875 657
Total Equity	116 603 916	748 691	116 403 288

Consolidated statement of cash flow

(SEK)	Q1		Year
	2 018	2017	2017
Operations			
Operating income	-1 729 911	269 786	-3 487 833
<i>Adjustment of non cash flow items</i>			
Depreciations and amortisations	941 639	137 823	2 751 597
Currency exchange rates differences	-30 625	-66 322	-875 125
Provisions	0	-13 784	-13 872
Other non cash flow items	0	0	195 417
	-818 897	327 503	-1 429 816
Received interest	0	1	654
Paid interest	-2 033	-42 890	-2 591 545
Paid taxes	0	-6 017	-211 321
Cash flow from operations before change in working capital	-820 930	278 597	-4 232 028
<i>Cash flow from change in working capital</i>			
Increase (-)/Decrease (+) of inventory	-1 998 428	-257 898	1 331 111
Increase (-)/Decrease (+) of operating receivables	2 564 902	-862 870	-6 248 592
Increase (+)/Decrease (-) of operating liabilities	-2 117 111	1 923 491	9 645 159
Cash flow from operations	-2 371 567	1 081 320	495 650
Investment activities			
Investment in intangible fixed assets	-3 857 894	-1 871 212	-22 105 618
Investments in tangible fixed assets	-523 575	-912 728	-3 776 401
Investments of financial assets	0	43 660	0
Cash flow from investment activities	-4 381 469	-2 740 280	-25 882 019
Financing activities			
New issue of shares	520 001	0	117 430 268
Issue expenses	-46 000	0	-12 310 790
Received loans	0	6 002 763	0
Amortisation of loans	0	0	-2 779 779
Cash flow from financing activities	474 001	6 002 763	102 339 699
Cash flow for the period	-6 279 035	4 343 803	76 953 329
Liquid funds at the beginning of the period	85 321 647	8 296 432	8 296 432
Effects of exchange rate changes on cash		-12 675	0
Translation difference in liquid funds	170 057	-3 241	71 886
Liquid funds at the end of the period	79 212 668	12 624 319	85 321 647

Parent company income statement

(SEK)	Q1		Year
	2 018	2017	2017
Revenues			
Net sales	15 279 513	9 530 398	43 129 325
Capitalized development expenses	0	573 220	1 290 937
Other operating income	355 491	43 794	121 232
	15 635 004	10 147 412	44 541 494
Operating cost and expenses			
Cost of goods sold	-9 775 668	-6 792 240	-26 460 090
External expenses	-4 810 951	-2 515 414	-11 595 358
Personnel expenses	-3 596 038	-1 884 205	-10 523 197
Depreciation and amortisation	-362 386	-16 488	-1 175 665
Other operating expenses	-82 452	-28 479	-226 119
Operating income	-2 992 491	-1 089 414	-5 438 935
Income from financial items			
Result from securities and long term receivables	0	96 115	578 191
Financial income	2 312 827	411 696	2 749 048
Financial expenses	-365 549	-780 632	-3 863 210
Income after financial items	-1 045 213	-1 362 235	-5 974 906
Group contribution	0	0	1 348 246
Income before taxes	-1 045 213	-1 362 235	-4 626 660
Taxes	-7 523	0	0
Net Income	-1 052 736	-1 362 235	-4 626 660



Parent company balance sheet

(SEK)	31 March		31 December
	2 018	2017	2017
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenses	9 067 221	2 041 936	6 402 769
Tangible assets			
Building and land	29 750	0	0
Machinery and equipment	2 609 573	115 522	2 824 845
Fixtures and tools	62 576	81 872	64 196
	2 701 899	197 394	2 889 041
Financial fixed assets			
Shares in group companies	50 009	9	50 009
Long term receivables in group companies	33 516 701	16 036 775	30 854 306
	33 566 710	16 036 784	30 904 315
Total fixed assets	45 335 830	18 276 114	40 196 125
Current assets			
Inventory			
Finished goods	7 173 313	5 362 545	6 108 574
Receivables			
Trade receivables	4 483 016	2 313 208	3 160 937
Receivables in group companies	8 943 237	2 286 899	7 990 913
Tax receivables	826 513	3 546	332 537
Other current receivables	154 677	377 786	1 314 862
Prepaid expenses and accrued income	1 081 494	1 460 442	1 496 634
	15 488 937	6 441 881	14 295 883
Cash and cash equivalents	77 792 889	12 005 025	83 282 895
Total current assets	100 455 139	23 809 451	103 687 352
TOTAL ASSETS	145 790 969	42 085 565	143 883 477

(SEK)	31 March		31 December
	2 018	2017	2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1 728 054	217 000	1 707 254
Fund for capitalized development expenses	18 081 189	1 591 462	6 402 769
Non restricted equity			
Share premium fund	129 533 524	11 583 000	129 450 806
Retained earnings	-17 782 662	-457 368	-8 987 681
Profit or loss previous year	-7 273 721	-3 618 885	0
Profit or loss for the period	-1 052 736	-1 362 235	-4 626 660
Total Equity	123 233 648	7 952 974	123 946 488
Long-term liabilities			
Liabilities to credit institutions	0	689 806	0
Convertible loans	0	4 100 000	0
Other long term liabilities	0	1 800 000	0
	0	6 589 806	0
Current liabilities			
Liabilities to credit institutions	0	6 000 000	0
Accounts payables	2 986 852	2 283 037	5 045 386
Liabilities to group companies	15 390 279	6 751 534	10 762 117
Other current liabilities	560 075	10 636 718	976 786
Accrued expenses and prepaid income	3 620 115	1 871 496	3 152 700
	22 557 321	27 542 785	19 936 989
TOTAL EQUITY AND LIABILITIES	145 790 969	42 085 565	143 883 477

Parent company statement of changes in equity

(SEK)	Q1		Year
	2018	2017	2017
Opening balance according to balance sheet	123 946 488	9 309 943	9 309 943
Adjustments			
Adjusted opening balance	123 946 488	9 309 943	9 309 943
Changes in the carrying amounts recognised directly in equity			
Translation differences	-134 104	5 266	-94 855
Transactions with the group's owners			
New issue of shares	520 000	0	114 999 983
Conversion of loans		0	16 668 867
Issue expenses	-46 000	0	-12 310 790
Reallocation between items in equity			
Bonus issue	0	0	650 000
Share capital	0	0	-650 000
Allocations to funds for capitalized development expenses	11 678 420	122 746	6 402 769
Retained earnings	-11 678 420	-122 746	-6 402 769
	0	0	0
Net income	-1 052 736	-1 362 235	-4 626 660
Total Equity	123 233 648	7 952 974	123 946 488

Parent company statement of cash flow

(SEK)	Q1		Year
	2 018	2017	2017
Operations			
Operating income	-2 992 491	-1 089 414	-5 438 935
<i>Adjustment of non cash flow items</i>			
Depreciations and amortisations	362 386	16 479	1 175 665
Currency exchange rates differences	-165 638	-48 400	-12 112
Provisions	0	0	0
Other non cash flow items	0	0	1 492 735
	-2 795 743	-1 121 335	-2 782 647
Received interest	204 831	1	578 845
Paid interest	-687	-42 890	-2 591 545
Paid taxes	0	0	-332 537
Cash flow from operations before change in working capital	-2 591 599	-1 164 224	-5 127 884
<i>Cash flow from change in working capital</i>			
Increase (-)/Decrease (+) of inventory	-1 064 739	2 209 821	1 433 719
Increase (-)/Decrease (+) of operating receivables	-1 193 054	-917 020	-8 481 835
Increase (+)/Decrease (-) of operating liabilities	2 620 332	-7 623 491	7 182 075
Cash flow from operations	-2 229 060	-7 494 914	-4 993 925
Investment activities			
Investment in intangible fixed assets	-2 664 453	-573 220	-4 934 053
Investments in tangible fixed assets	-313 161	-327 157	-2 688 881
Investments of financial assets	-919 261	-47 528	-14 204 812
Cash flow from investment activities	-3 896 875	-947 905	-21 827 746
Finansieringsverksamheten			
New issue of shares	520 000	0	117 430 268
Issue expenses	-46 000	0	-12 310 790
Received loans	0	6 751 534	0
Increase (+)/Decrease (-) of current financial liabilities	0	6 000 000	0
Amortisation of loans	0	0	-2 779 779
Cash flow from financing activities	474 000	12 751 534	102 339 699
Cash flow for the period	-5 651 935	4 308 715	75 518 027
Liquid funds at the beginning of the period	83 282 895	7 711 119	7 711 119
Effects of exchange rate changes on cash		-12 675	0
Translation difference in liquid funds	161 929	-2 134	53 749
Liquid funds at the end of the period	77 792 889	12 005 025	83 282 895

Share information

	Q1		Year
	2 018	2017	2017
Net income, SEK	-87 026	-542 385	-3 875 657
Cash flow, SEK	-6 279 035	4 343 803	76 953 329
Number of shares at the beginning of the period	17 072 538	2170	2 170
Number of shares at the end of the period	17 280 538	2170	17 072 538
Average number of shares	17 176 538	2 170	8 537 354
Outstanding warrants at the beginning of the period	1 350 149	260	260
Outstanding warrants at the end of the period	1 142 149	260	1 350 149
Genomsnittligt antal teckningsoptioner	1 246 149	260	675 205
Share capital at the end of the period, SEK	1 728 055	217 000	1 707 254
Equity at the end of the period, SEK	116 603 916	320 446	116 403 288
<i>Earnings per share, SEK</i>			
- Earnings per share before dilution	-0,01	-249,95	-0,45
- Earnings per share after dilution	0,00	-223,20	-0,42
Equity per share, SEK	6,75	147,67	6,82
Cash flow per share, SEK	-0,37	2 001,75	9,01

Notes to the financial information

NOTE 1 ACCOUNTING PRINCIPLES

Sedana Medical AB (publ) and the Group applies the Swedish Accounting Standard Board's (BFN's) general guidelines BFNAR 2012:1 Annual report and consolidated accounts (K3). Significant accounting and valuation principles are set out on pages 13-17 of the Group annual report 2016.

A departure from the K3 regulation has occurred in the third quarter when it comes to the gross reporting of capitalized development expenses. As of Q3 2017, Sedana Medical reports development costs on a net basis under personnel expenses and other operating expenses.

NOTE 2 DEFINITION OF RATIOS

EBITDA margin:

Operating income before depreciation and amortisation/net sales

EBIT margin:

Operating income/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:

Current assets excluding inventory/Current liabilities

Average number of full-time employees during the period:

Average number of full-time employees during the period.

AUDITOR'S REVIEW

The Group's auditor has not reviewed the accounts in this interim report.

CERTIFIED ADVISER

Erik Penser Bank is the certified adviser for Sedana Medical AB (Publ).

FOR FURTHER INFORMATION PLEASE CONTACT

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DATES FOR UPCOMING INFORMATION

Interim report Q2 2018:
30 August 2018

Interim report Q3 2018:
22 November 2018

Year-end report 2018:
21 March 2019

Certification from the Board of Directors and the CEO

The Board of Directors certifies 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 that was prepared for the listing on Nasdaq First North as well as the annual report for 2017.

Danderyd 22 May 2018

Thomas Eklund
Chairman of the Board

Sten Gibeck
Board member

Bengt Julander
Board member

Ola Magnusson
Board member

Michael Ryan
Board member

Christer Ahlberg
President and
CEO

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