

SEDANAMEDICAL

Pioneering volatile anaesthetic delivery

INTERIM REPORT Q1

JANUARY-MARCH 2020

SEDANA MEDICAL AB (PUBL)



Q1

Q2

Q3

Q4

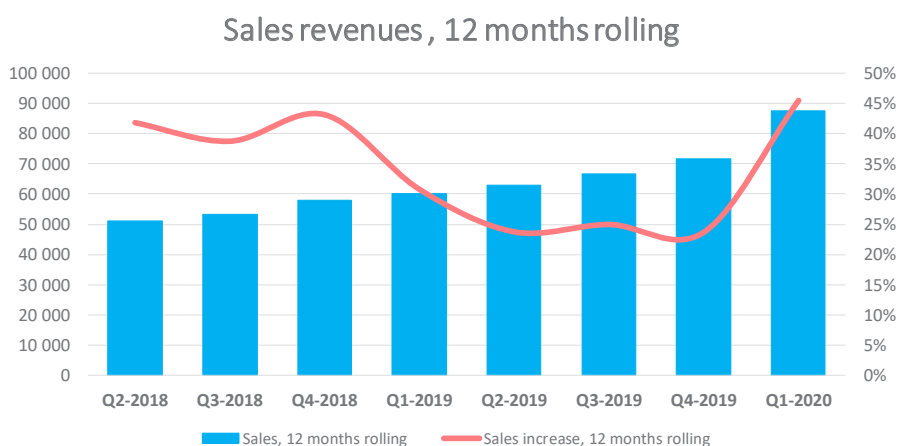
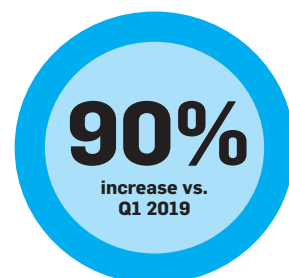
SEDANA MEDICAL, INTERIM REPORT Q1, JANUARY – MARCH 2019

Financial Summary January-March

- Net sales during the quarter amounted to KSEK 33 832 (17 814) corresponding to an increase of 90% compared with the same period in 2019.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to KSEK 1 204 (-2 641). This corresponds to an EBITDA margin of 3,6% (-14,8%).
- Earnings before interest and taxes (EBIT) amounted to KSEK 82 (-3 660) which corresponds to an EBIT margin of 0,2% (-20,5%).
- Earnings per share before dilution was SEK 0,07 and earnings per share after dilution was SEK 0,07.
- Cash flow from operations before changes in working capital amounted to KSEK 161 (-1 834).
- Cash flow from investment activities amounted to KSEK -14 243 (-10 681).
- Cash flow for the period amounted to KSEK -22 700 (-9 560).
- Liquid funds at the end of the period amounted to KSEK 442 553 (149 849).

Significant events during the period

- In January, the last patient was included in the pivotal IsoConDa-study. Thus, all 300 patients have been included in the European study which is expected to show "top-line" results during Q2 2020.
- Sedana Medical's CEO Christer Ahlberg sold 30 000 shares in the company and entered into a 12-month lock-up agreement for his remaining 200 000 shares. He thereby remains as a committed long-term owner.
- Sedana Medical obtained market approval for AnaConDa in Mexico during January. The company's Mexican distributor Goba will begin sales work in the next few months and in parallel Sedana Medical will evaluate the possibility of registering the drug IsoConDa. Goba will also work for a registration of AnaConDa in Colombia.
- Sedana Medical established its own direct sales organization in Benelux.



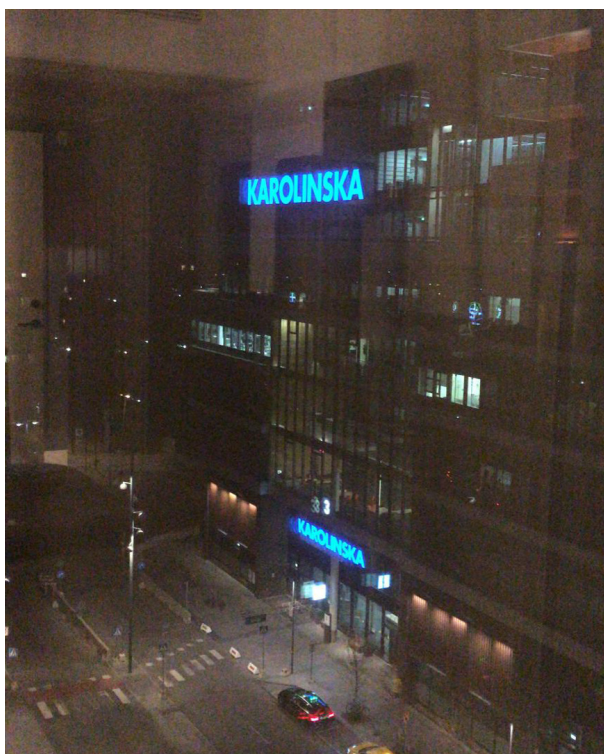
- Sedana Medical donated AnaConDa and accessories to two hospitals in Wuhan and Zhejiang, China, for anti-epidemic use and evaluation of the effects of inhalation sedation with AnaConDa on severely ill Corona virus affected patients.
- Sedana Medical announced on March 30 that the company sees increased demand for AnaConDa as a result of the Covid-19 pandemic. The company forecasts a sales increase of about 50 percent for the first quarter of 2020 and about 100 percent for the month of March, compared to the same periods last year. Due to the Covid-19 pandemic Sedana Medical sees a slight risk of delay of the compilation of the IsoConDa study until the beginning of the third quarter of 2020. However, this would not necessarily mean that Sedana Medical's application for European market approval for the drug candidate IsoConDa is delayed. Sedana Medical still expects to keep the timetable and submit the application in the third quarter, or early in the fourth quarter of 2020 and an approval during the second half of 2021.

Significant events after the period

- As sales during the last days of March turned out to be significantly higher than expected, which led to that the company is reporting significantly higher sales for the first quarter of 2020 than announced on March 30, the company already on April 6 announced in a press release that sales for the first quarter of 2020 was SEK 34 million, which corresponds to a growth of around 90 percent compared to the same period last year.

Outlook 2020

Since the end of the quarter Sedana Medical has in April seen continued positive sales growth in line with the development in March as a result of the COVID-19 pandemic. Sedana Medical is unable to make an assessment of the sales trend for the full year 2020 due to the uncertainty arising from the COVID-19 pandemic.





“ We had a turn-over of SEK 34 million, which is close to doubling compared to the same period last year.

CEO COMMENTS

The first quarter of 2020 was largely marked by the covid-19 pandemic. With our treatment you can say that we are in the center of events and there are a couple of reasons why demand for our treatment has risen sharply as a result of the pandemic.

To begin with, our treatment - sedation of mechanically ventilated patients - is exactly the one that severe covid-19 patients need. These severely ill intensive care patients are normally ventilated for a very long time and sedated for up to two weeks. To succeed with a long and deep sedation, a mixture of several intravenous drugs is usually required, which in itself entails risks. By choosing inhaled sedation with AnaConDa, the patient can be sedated with volatile drugs (such as isoflurane) that allow for deep, safe and effective sedation, and also release syringe pump capacity which has become a shortage in intensive care during the pandemic.

Furthermore, long-term sedated patients who have been intravenously sedated are often difficult to awake. It can take a very long time, up to several days. With inhaled sedation, the patient wakes up within a few minutes, usually within an hour, regardless of sedation time. This is because isoflurane is not metabolized in the body's organs but is eliminated through the lungs, with minimal degradation in the body. Patients usually wake up easily and are relatively alert after inhalation sedation, releasing resources from the intensive care that usually take care of awakening patients with side effects such as delirium, hallucinations, nightmares, dementia-like conditions and agitation. Through faster and easier awakening, the patient flow in the intensive care unit can be increased, which has been important during the pandemic when access to intensive care beds has been limited.

Another feature of inhaled sedation that has also driven demand for AnaConDa is the potential anti-inflammatory effect previously shown in studies in ARDS patients. The theory is that inhaled sedation reduces inflammation in the lungs which improves oxygen uptake. ARDS (Acute Respiratory Distress Syndrome) or lung failure is the condition that often affects the severely ill covid-19 patients. In October last year, we announced that Sedana Medical is co-financing the world's largest multicenter study of 700 ARDS patients to demonstrate that inhalation sedation with AnaConDa has lung-protective properties, shortens ventilator time, and higher survival.

Overall, demand for the quarter increased dramatically. We had a turnover of SEK 34 million, which is close to doubling compared to the same period last year. The strong and rapid increase in sales has presented the company with a number of positive challenges. The pandemic has made our contacts with customers more difficult, but in response to that, we initiated our e-learning platform available on our website in the quarter, which was developed earlier but now launched faster than first thought. Educating new customers via web and phone is new to us, and we have worked a lot on how that process can be scaled up.

We have also worked a lot to ensure our delivery capacity. Both our contract manufacturers in Malaysia and other global subcontractors have had production and delivery restrictions, but in close cooperation we have succeeded in obtaining exceptions for continued and increased production, and for export from the country of production. In order to meet the strong demand from our customers, we have responsibly split our deliveries so as not to risk certain hospitals standing without products while building up stocks elsewhere. So far, we have succeeded in delivering according to customer expectations.

The interest in our treatment has, to say the least, increased sharply as a result of the pandemic. Both volumes and demand are rising, and inquiries are coming in from both existing and new markets.

As an example, in February, we opened our own direct sales organization in Benelux and sales got off to a fast start. In Italy, where we do not yet have our own direct sales organization, we gained several new customers during the quarter and in markets such as the UK, Spain, the Nordic and France we see strong demand. Germany remains our largest market and demand has also increased significantly there.

In addition, we are currently receiving a number of inquiries about clinical studies, retrospective data collection and other studies to further clarify the benefits of inhaled sedation. Of course, it is extremely gratifying while at the same time taking on some administrative resources. We try to prioritize wisely between all the proposals that come to us. Sedana Medical has previously provided support for studies that, in addition to our own registration-based studies, contribute in the long term to strong scientific support for inhalation sedation with AnaConDa.

One of the most important milestones of the quarter was that the last patient in January was included in our registration based IsoConDa study. In the light of the pandemic, we are pleased that the clinical part of the study could be completed in January. However, the administration remains to go through the data, and since access to our examiners is naturally limited by the pandemic, as previously announced, we see some risk of delaying the compilation of the study. We expect the topline result to be presented at the end of the second quarter or early in the third quarter of this year. However, we still expect to keep the timetable and submit the application in the third quarter, or early in the fourth quarter of 2020, and that we could thus obtain approval during the second half of 2021.

Overall, the quarter has been extremely intense. The effects of the covid-19 pandemic on people's lives and health can be devastating and it is very rewarding to work in a company that can help in this global challenge. The pandemic has accelerated interest in our treatment and at the time of writing we see no slowdown in this. I look forward to coming back to you.

Christer Ahlberg, President and CEO



SEDANA MEDICAL IN BRIEF

is a Swedish medical technology group on its way of also becoming a pharma group. Sedana Medical 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 product is approved for the administration of volatile anesthetics in several countries in the world and is among others, used by intensive care clinics.

A major clinical registration study is currently under way with the aim of having the pharmaceutical candidate IsoConDa® (isoflurane) approved for inhalation sedation within intensive care in Europe, together with AnaConDa. The company has initiated a registration work for AnaConDa and IsoConDa® in the United States and is currently reviewing the possibilities for registration of IsoConDa® in Japan.

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 group sales.

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 Growth Market Sweden's stock exchange.

LARGEST SHAREHOLDERS AT THE END OF THE PERIOD

Shareholders in the company at the end of the period:

	Number of shares	Share (%)
Handelsbanken funds	1 933 303	8,50%
Linc AB	1 916 901	8,43%
Swedbank Robur funds	1 826 600	8,03%
Anders Walldov direct and indirect (Brohuvudet AB)	1 630 000	7,17%
Ola Magnusson direct and indirect (Magiola AB)	1 325 246	5,83%
Sten Gibeck	1 230 744	5,41%
Berenberg funds	965 149	4,24%
Öhman funds	767 680	3,38%
Ron Farrell	631 062	2,78%
Michael Ryan	563 979	2,48%
Nordnet Pensionsförsäkring	503 715	2,22%
Tredje AP-fonden	498 600	2,19%
Thomas Eklund	416 616	1,83%
Avanza Pension	408 516	1,80%
Alfred Berg funds	348 330	1,53%
Fifteen largest shareholders	14 966 441	65,83%
Others *	7 770 150	34,17%
Total	22 736 591	100,00%

* CEO's ownership is 200 000 shares.



BUSINESS DEVELOPMENT DURING THE PERIOD

Registration Development

REGISTRATION OF THE PHARMACEUTICAL ISOCONDA® (ISOFLURAN) IN EUROPE

The work concerning registration of the drug candidate IsoConDa in Europe is ongoing. Together AnaConDa and IsoConDa will give us access to the full potential of the inhalation sedation market. To succeed, the company has initiated a clinical registration study in Germany and Slovenia where after the end of the year 2019/2020 it was announced that the last patient had been recruited. The results of the clinical trial are estimated to be presented during Q2 2020 or early during Q3 2020 and form the basis of the marketing authorization. The company plans to submit the application for market approval of IsoConDa in 16 European countries in a first round during the third quarter 2020 or in the beginning of Q4 2020 and expects a registration approval of IsoConDa in Europe in the second half of 2021.

REGISTRATION STUDY ISOCONDA

For the clinical registration study, which is necessary for a complete dossier, an additional administrative work is now underway in order to compile and analyze. The study is also necessary to allow us to market inhaled sedation without restrictions in Europe.

The interim analysis for our registration-based Phase III study (which aims to get IsoConDa approved for inhaled sedation in intensive care in Europe) showed smaller variations in effect than expected. It was concluded that the study would

only need a total of 300 patients instead of initially estimated 550 patients. In January 2020, the last patient was recruited in the study, an important milestone for the company.

In February 2019, Sedana Medical was approved for the Pediatric Investigation Plan (PIP) by the European Medicines Agency's pediatric committee, PDCO. Approval is important as the implementation of studies in children is one of the prerequisites for obtaining 10 years of market exclusivity in Europe. The study will be initiated in 2020 in four European countries: Sweden, Germany, France and Spain. The study does not need to be completed to obtain market exclusivity. This approval also means that AnaConDa can be used in patients with severe impaired lung function.

REGISTRATION WORK OF ANACONDA AND ISOCONDA IN US

The market potential for inhalation sedation in intensive care in the United States is approximately SEK 10 billion annually. Work on the registration of inhalation sedation including both AnaConDa and IsoConDa is ongoing. During 2019, the company was able to announce the result of the pre-IND meeting conducted at the FDA in March. Overall, the FDA was positive in respect to the registration of IsoConDa and AnaConDa as a combination product in the United States. The meeting confirmed the company's estimate of the time and cost of a registration which is expected to occur in 2024.

Since the drug substance isoflurane has been around for decades, the FDA has accepted that Sedana Medical is taking a path to registration, 505 (b) (2), which somewhat simpli-

fies the use of previously collected data. Since registration requirements have been tightened over the years since isoflurane was first registered, Sedana Medical needs to complete current documentation and add more data to be approved by the FDA, including toxicological animal studies and a human factors validation. Sedana Medical will also need to do two clinical, randomized and double-blinded studies to confirm and ensure efficacy and safety. The number of patients needed for both studies together is the same as Sedana Medical initially had as a requirement in the European study, i.e. 300-550 patients. These patients will also be included in a safety database of 500 isoflurane patients. Work on human factors validation began during the quarter with Beth Israel Deaconess Medical Center (BIDMC) at Harvard Medical School in the US. Preparation for the tox studies has also begun during the quarter together with a specialist CRO company.

REGISTRATION WORK OF ANACONDA AND ISOCONDA IN JAPAN

In November 2018, the company received approval of AnaConDa in Japan. The approval means that AnaConDa may be marketed, sold and used for the administration of volatile anesthetics for mechanically ventilated patients in Japan. In order to have access to the full potential of the Japanese market of over 1 million ventilated days a year in the field of intensive care, reimbursement of the price of therapy and registration of the drug candidate IsoConDa must be ensured. We are now investigating the different IsoConDa registration options available to us in Japan and expect to meet with the Japanese Medicines Agency at an official meeting in 2020, after the completion of the European dossier, to clarify the Japanese requirements for IsoConDa approval.

Building of the market

The total market potential estimated by the Company for inhalation sedation in intensive care amounts to SEK 20-30 billion annually. Europe and the US are two important markets. However, patients sedated due to mechanical ventilation in intensive care are equally distributed globally between the United States, Europe and Asia.

The work to increase awareness and use of AnaConDa technology and to establish in several countries in Europe is continuing. The plan is to be represented in several European markets with established networks and reference clinics when the company receive approval of IsoConDa. This in order to quickly be able to penetrate the market

Due to clarification in the registration process in the US and time planning schedule for Europe as well as the success in Asia, we can now work fast according to the established plan for both Europe, USA and Asia.

We intend to establish a company in the USA to be able to carry out the work on studies, registration and market access on our own. Around 2022 we will decide whether we intend to launch the products ourselves or together with a local partner.

During 2019, we started a research foundation, the Sedana Medical Research Foundation, which constitutes a unique opportunity for the scientific community to increase knowledge about sedation of critically ill patients.

We are continuously working close with the academy to find more interesting projects in order to highlight the benefits of the therapy compared to intravenous treatment. The latest example is that the company sponsors the world's largest multicenter study with AnaConDa in France. The primary purpose of the study is to demonstrate that inhalation sedation with AnaConDa has lung-protective capacities, shortens ventilator time, and higher survival in severe lung-ill intensive care patients compared to IV treatment.

We also work close to key opinion leaders (Key Opinion Leaders) and the academy to better understand regional differences and gain a deeper understanding of the clinical processes in each country.

From a market point of view, we regularly participate in national and international scientific intensive care conferences and congresses where we often arrange well-attended scientific symposia in the area of inhalation sedation.

The total sales increase was 90% during the first quarter 2020, well in line with our goal of growing 20% per year until the registration of IsoConDa in Europa. The reason for the high sales increase was the extremely increased demand for AnaConDa due to the covid-19 pandemic.

Three years after the registration of IsoConDa in Europe, our ambition is for annual sales to exceed SEK 500 million in Europe and the EBITDA margin to be around 40%

Financial summary, January – March 2020

Financial summary - Consolidated (SEK)

	Q1		Year
	2020	2019	2019
Net sales	33 831 545	17 813 621	71 645 560
Gross Profit	23 625 051	12 402 909	52 413 138
Gross Margin (%)	69,8%	69,6%	73,2%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1 204 478	-2 641 097	-12 978 931
Earnings Before Interest and Taxes (EBIT)	82 257	-3 660 017	-17 167 338
Income after financial items	2 234 359	-2 525 028	-16 943 447
Net income	1 701 989	-2 970 608	-16 357 771
EBITDA %	3,6%	-14,8%	-18,1%
EBIT %	0,2%	-20,5%	-24,0%
Net income % of net sales	5,0%	-16,7%	-22,8%
Total assets	594 452 468	230 092 054	593 251 393
Equity	570 110 720	215 034 379	569 379 821
Equity ratio	95,9%	93,5%	96,0%
Quick ratio	1924,1%	1048,5%	2007,2%
Average number of employees	46	37	39
Average number of shares before dilution	22 736 591	19 216 591	20 946 591
Average number of shares after dilution	22 995 078	20 150 740	21 940 740
Number of shares at the end of the period before dilution	22 736 591	19 276 591	22 736 591
Number of shares at the end of the period after dilution	22 995 078	20 150 740	23 135 825
Earnings per share before dilution ¹⁾	0,07	-0,15	-0,78
Earnings per share after dilution ¹⁾	0,07	-0,15	-0,78

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

REVENUES

During the first quarter, the group's revenues amounted to KSEK 36 031 (18 619), corresponding to an increase of KSEK 17 412 or 94%. The increase is mainly attributable to an increase in net sales of KSEK 16 018 or 90%. The Group's sales are almost exclusively in EUR and the corresponding sales increase, adjusted for currency fluctuations, was 86%. The reason for the extreme sales increase was the huge demand for AnaConDa due to the covid-19 pandemic. In addition, revenues for the first quarter contained other operating revenues of KSEK 2 200 (805) and consisted mainly of positive exchange rate differences.

COST OF GOODS SOLD

The cost of goods sold during the first quarter amounted to KSEK 10 206 (5 411), which corresponds to an increase of KSEK 4 796 or 89%. The increase in cost of goods sold is mainly due to the larger sales volume.

OTHER EXTERNAL EXPENSES

Other external expenses amounted to KSEK 10 868 (6 782) during the quarter, which corresponds to an increase of 4 086 KSEK or 60%. Other external expenses include consulting fees, sales and marketing expenses, expenses for accounting services and auditing, travel expenses, patent costs and certain material costs for research. The increase in the item Other external expenses during the first quarter is mainly due to

an increase in expenses for sales and market. Generally, there is also an increase in other types of external expenses as the company is growing and preparing for the launch of IsoConDa.

PERSONNEL EXPENSES

Personnel expenses in the group amounted to KSEK 12 516 (8 622) during the first quarter, which corresponds to an increase of KSEK 3 894 or 45%. During the first quarter there were 46 employees in the group on average, which was an increase of 9 employees compared with the same period 2019. The main reason for the expense increase is the build-up of the marketing and sales organizations, as well as medical affairs, regulatory and quality functions, prior to the registration and subsequent launch of IsoConDa.

DEPRECIATIONS AND AMORTISATIONS

Depreciations amounted to KSEK 1 122 (1 019) during the first quarter, corresponding to an increase of KSEK 103 or 10%. Depreciations relate to property, plant and equipment and amortisation of the in-house developed intangible asset AnaConDa-S.

OPERATING INCOME

The group's operating income for the first quarter amounted to KSEK 82 (-3 660). This corresponds to a result improvement of KSEK 3 742 or 102%. The positive result is explained by the strong increase in sales during the quarter.

FINANCIAL ITEMS

Net financial items amounted to KSEK 2 152 (1 135) during the first quarter. The financial net is mainly explained by positive exchange rate differences.

TAXES

The group reported tax expenses of KSEK 532 (446) during the first quarter. The tax expense for the quarter is mainly explained by changes in deferred tax.

NET INCOME

The group reported a net income after taxes of KSEK 1 702 (-2 971) for the quarter, an increase of KSEK 4 673 or 157%. The improvement in earnings is primarily due to the positive operating profit and the positive net financial items.

EQUITY AND LIABILITIES

Equity in the group as of 31 March 2020 amounted to KSEK 570 111 (215 034), which corresponds to an increase of KSEK 355 076. The increase is mainly explained by the new share issue that was carried out in during the fourth quarter 2019, when the company raised new capital of 375 MSEK.

Current liabilities at the end of the period amounted to KSEK 24 342 (15 129) and consisted mainly of accrued expenses, KSEK 11 286 (7 599) and accounts payables, KSEK 5 862 (4 400).

LIQUID FUNDS AND CASH FLOW

Liquid funds at the end of the period amounted to KSEK 442 553 (149 849).

Cash flow from operating activities before change in working capital was KSEK 161 (-1 834) for the first quarter.

Cash flow from operating activities, including the change in working capital, amounted to KSEK -8 457 (837). The change in working capital compared with the same period last year is mainly due to an increase in operating receivables due to the extreme increase in sales during the period.

Cash flow from investments amounted to -14 243 (-10 681) KSEK and consists mainly of acquisition of intangible fixed assets, where the major part is capitalized development expenses for the clinical study and registration work of IsoConDa EU, toxicological studies and registration work of AnaConDa and IsoConDa in the US and costs for preparation of the IsoConDa pediatric study in EU.

Total cash flow for the quarter amounted to KSEK-22 700 (-9 560).

PARENT COMPANY

Sedana Medical AB (publ), corporate identity number 556670-2519, is the parent company in the group. Its operations consist of clinical development, sales and administrative and management functions. The parent company has a branch office in Spain where operations consists of sales of products.

The parent company's total revenues amounted to KSEK 12 707 (20 534) for the first quarter. Operating income amounted to till KSEK -5 535 (-4 430) which corresponds to a decrease of KSEK 1 105. Net financial items during the quarter amounted KSEK 2 579 (1 359). Net income for the first quarter amounted to KSEK -2 956 (-3 136).

Shareholders' equity in the Parent company, Sedana Medical AB (publ), amounted KSEK 578 581 (225 802) as of 31 March 2020, corresponding to an increase of KSEK 352 778. The share capital amounted to KSEK 2 274 (1 929), an increase of KSEK 345. The increase in equity is mainly due to the new share issue carried out during the fourth quarter 2019, when the company raised new capital of 375 MSEK.

Liquid funds at the end of the period amounted to KSEK 426 014 (148 865), an increase of KSEK 277 149 which is mainly due to the new share issue in 2019.

Other information

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties take place on market terms. During the first quarter, the affiliated company Sedana Medical Ltd. has purchased goods at a value of KSEK 2 355 from Lismed Ltd., a company related to the R&D director and owner Ron Farrell.

Consolidated income statement

(SEK)	Note	Q1		Year
		2020	2019	2019
Revenues				
Net sales		33 831 545	17 813 621	71 645 560
Other operating income		2 199 707	805 344	2 092 091
		36 031 252	18 618 965	73 737 651
Operating cost and expenses				
Cost of goods sold		-10 206 494	-5 410 712	-19 232 422
External expenses		-10 868 192	-6 781 760	-27 122 384
Personnel expenses		-12 516 012	-8 621 596	-38 044 873
Depreciation and amortisation		-1 122 221	-1 018 920	-4 188 407
Other operating expenses		-1 236 076	-445 994	-2 316 903
Operating income		82 257	-3 660 017	-17 167 338
Income from financial items				
Financial income		2 232 757	1 376 006	2 455 804
Financial expenses		-80 655	-241 017	-2 231 913
Income after financial items		2 234 359	-2 525 028	-16 943 447
Income before taxes		2 234 359	-2 525 028	-16 943 447
Taxes		-532 370	-445 580	585 676
Net Income		1 701 989	-2 970 608	-16 357 771
Earnings per share				
Before dilution		0,07	-0,15	-0,78
After dilution		0,07	-0,15	-0,78



Consolidated balance sheet

(SEK)	Note	31 March		31 December
		2020	2019	2019
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development expenses		109 214 441	55 968 043	95 486 865
Concessions, patents, licenses and similar		4 053 658	5 127 351	4 160 440
		113 268 099	61 095 394	99 647 305
<i>Tangible assets</i>				
Building and land		0	44 502	11 133
Machinery and equipment		4 526 924	4 527 440	4 384 935
Fixtures and tools		482 996	484 645	477 945
		5 009 920	5 056 587	4 874 013
<i>Financial assets</i>				
Deferred taxes		1 735 070	1 138 956	2 204 593
Other long term assets		45 441	0	0
		1 780 511	1 138 956	2 204 593
Total fixed assets		120 058 530	67 290 937	106 725 911
Current assets				
<i>Inventory</i>				
Finished goods		6 035 432	4 167 208	7 378 333
Advances to suppliers		0	3 085	0
		6 035 432	4 170 293	7 378 333
<i>Receivables</i>				
Trade receivables		18 417 950	6 131 537	6 467 002
Tax receivables		6 428	21 669	6 052
Other current receivables		2 486 889	1 377 983	3 502 816
Prepaid expenses and accrued income		4 894 437	1 250 734	4 611 266
		25 805 704	8 781 923	14 587 136
<i>Cash and cash equivalents</i>				
		442 552 802	149 848 901	464 560 013
Total current assets		474 393 938	162 801 117	486 525 482
TOTAL ASSETS		594 452 468	230 092 054	593 251 393

(SEK)	Note	31 March		31 December
		2020	2019	2019
EQUITY AND LIABILITIES				
<i>Equity</i>				
Share capital		2 273 659	1 929 127	2 273 659
Other equity including net income for the period		567 837 061	213 105 252	567 106 162
Equity attributable to shareholders in parent company		570 110 720	215 034 379	569 379 821
Total equity		570 110 720	215 034 379	569 379 821
<i>Current liabilities</i>				
Accounts payables		5 862 452	4 399 634	11 004 088
Tax liabilities		1 296 200	566 107	1 253 731
Other current liabilities		5 897 465	2 564 606	3 347 110
Accrued expenses and prepaid income		11 285 631	7 598 716	8 266 643
		24 341 748	15 129 063	23 871 572
TOTAL EQUITY AND LIABILITIES		594 452 468	230 092 054	593 251 393

Consolidated statement of changes in equity

(SEK)	Note	Q1		Year
		2020	2019	2019
Opening balance according to balance sheet		569 379 821	217 811 282	217 811 282
Changes in the carrying amounts recognised directly in equity				
Translation differences		-971 090	-91 295	-117 181
Transactions with the group's owners				
New issue of shares		0	300 000	376 742 000
Issue expenses		0	-15 000	-10 114 866
Received premium for warrant subscription		0	0	1 746 138
Expenses for warrant program		0	0	-329 781
Net income		1 701 989	-2 970 608	-16 357 771
Total Equity		570 110 720	215 034 379	569 379 821

Consolidated statement of cash flow

(SEK)	Note	Q1		Year
		2020	2019	2019
Operations				
Operating income		82 257	-3 660 017	-17 167 338
<i>Adjustment of non cash flow items</i>				
Depreciations, amortisations and gains and losses on sale of fixed assets		1 417 740	1 519 919	5 558 046
Currency exchange rates differences		-1 197 284	-37 087	282 053
Other non cash flow items		0	0	0
		302 713	-2 177 185	-11 327 239
Received interest		530	0	3 074
Paid interest		-78 913	-2 298	-6 950
Paid taxes		-62 847	345 498	257 272
Cash flow from operations before change in working capital		161 483	-1 833 985	-11 073 843
<i>Cash flow from change in working capital</i>				
Increase (-)/Decrease (+) of inventory		1 222 638	2 084 470	-1 076 586
Increase (-)/Decrease (+) of operating receivables		-10 699 780	-811 030	-6 706 564
Increase (+)/Decrease (-) of operating liabilities		858 844	1 397 253	10 156 788
Cash flow from operations		-8 456 814	836 708	-8 700 205
Investment activities				
Investment in intangible fixed assets		-13 362 166	-9 826 526	-49 839 056
Investments in tangible fixed assets		-880 584	-854 776	-4 292 642
Cash flow from investment activities		-14 242 750	-10 681 303	-54 131 698
Financing activities				
New issue of shares		0	300 000	376 742 000
Issue expenses		0	-15 000	-10 114 866
Received premium for warrant subscription		0	0	1 746 138
Expenses for warrant program		0	0	-329 781
Cash flow from financing activities		0	285 000	368 043 491
Cash flow for the period		-22 699 565	-9 559 595	305 211 589
Liquid funds at the beginning of the period		464 560 013	159 350 677	159 350 677
Effects of exchange rate changes on cash		692 353	57 819	-2 252
Liquid funds at the end of the period		442 552 802	149 848 901	464 560 013

Parent company income statement

(SEK)	Note	Q1		Year
		2020	2019	2019
Revenues				
Net sales		3 123 586	17 180 041	44 929 252
Other operating income		9 582 987	3 353 977	22 101 444
		12 706 573	20 534 018	67 030 696
Operating cost and expenses				
Cost of goods sold		0	0	
External expenses		-2 200 164	-11 347 687	-30 361 552
Personnel expenses		-8 729 792	-6 434 618	-24 232 239
Depreciation and amortisation		-5 978 643	-6 387 523	-25 151 033
Other operating expenses		-148 268	-386 694	-1 278 262
		-1 184 981	-407 533	-2 057 813
Operating income		-5 535 275	-4 430 037	-16 050 203
Income from financial items				
Financial income		2 226 183	1 376 006	2 444 855
Financial income, group internal		345 851	223 029	964 135
Financial expenses		7 410	-239 877	-2 146 234
Income after financial items		-2 955 831	-3 070 879	-14 787 447
Group contribution		0	0	-12 374
Income before taxes		-2 955 831	-3 070 879	-14 799 821
Taxes		0	-64 994	0
Net Income		-2 955 831	-3 135 873	-14 799 821



Parent company balance sheet

(SEK)	Note	31 March		31 December
		2020	2019	2019
ASSETS				
Fixed assets				
<i>Intangible assets</i>				
Capitalized development expenses		100 707 354	51 726 238	88 047 280
<i>Tangible assets</i>				
Machinery and equipment		942 950	2 808 325	839 514
Fixtures and tools		227 783	234 838	221 080
		1 170 733	3 043 163	1 060 594
<i>Financial fixed assets</i>				
Shares in group companies		395 267	82 535	395 267
Long term receivables in group companies		44 151 198	25 265 615	40 417 881
		44 546 465	25 348 150	40 813 148
Total fixed assets		146 424 552	80 117 551	129 921 022
Current assets				
<i>Inventory</i>				
Finished goods		268 465	9 106 755	983 571
<i>Receivables</i>				
Trade receivables		1 931 313	5 318 947	359 308
Receivables in group companies		31 116 245	16 218 099	21 827 634
Tax receivables		4 112	21 669	3 871
Other current receivables		1 970 722	1 327 957	3 084 769
Prepaid expenses and accrued income		4 184 145	1 228 981	4 090 090
		39 206 537	24 115 653	29 365 672
<i>Cash and cash equivalents</i>				
		426 013 583	148 864 663	455 205 728
Total current assets		465 488 585	182 087 071	485 554 971
TOTAL ASSETS		611 913 137	262 204 622	615 475 993

(SEK)	Note	31 March		31 December
		2020	2019	2019
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital		2 273 659	1 929 127	2 273 659
Fund for capitalized development expenses		100 707 354	51 726 238	88 047 280
<i>Non restricted equity</i>				
Share premium fund		605 203 504	237 984 855	605 702 174
Retained earnings		-111 848 279	-58 947 061	-99 308 082
Profit or loss for the period		-2 955 831	-3 135 873	-14 799 821
Total Equity		578 580 586	225 802 129	581 915 210
Current liabilities				
Accounts payables		1 632 792	2 648 106	6 844 984
Liabilities to group companies		22 884 010	25 537 319	19 595 906
Tax liabilities		679 708	113 882	825 995
Other current liabilities		1 897 182	1 740 198	2 001 347
Accrued expenses and prepaid income		6 238 859	6 362 988	4 292 551
		33 332 551	36 402 493	33 560 783
TOTAL EQUITY AND LIABILITIES		611 913 137	262 204 622	615 475 993

Parent company statement of changes in equity

(SEK)	Note	Q1		Year
		2020	2019	2019
Opening balance according to balance sheet		581 915 210	228 710 057	228 710 057
Changes in the carrying amounts recognised directly in equity				
Translation differences		-378 793	-57 055	-38 517
Transactions with the group's owners				
New issue of shares		0	300 000	376 742 000
Issue expenses		0	-15 000	-10 114 866
Received premium for warrant subscription		0	0	1 746 138
Expenses for warrant program		0	0	-329 781
Reallocation between items in equity				
Allocations to funds for capitalized development expenses		12 660 074	9 428 795	45 749 836
Retained earnings		-12 660 074	-9 428 795	-45 749 836
		0	0	0
Net income		-2 955 831	-3 135 873	-14 799 821
Total Equity		578 580 586	225 802 129	581 915 210

Parent company statement of cash flow

(SEK)	Note	Q1		Year
		2020	2019	2019
Operations				
Operating income		-5 535 275	-4 430 037	-16 050 203
<i>Adjustment of non cash flow items</i>				
Depreciations, amortisations and gains and losses on sale of fixed assets		148 268	887 693	2 252 543
Currency exchange rates differences		-1 102 002	143 409	546 731
Other non cash flow items		0	0	0
		-6 489 009	-3 398 935	-13 250 929
Received interest		345 851	223 029	964 135
Paid interest		-3 087	-1 269	-4 375
Paid taxes		0	336 872	342 830
Cash flow from operations before change in working capital		-6 146 244	-2 840 303	-11 948 340
<i>Cash flow from change in working capital</i>				
Increase (-)/Decrease (+) of inventory		715 106	107 317	8 217 872
Increase (-)/Decrease (+) of operating receivables		-9 825 334	-4 440 181	-8 459 148
Increase (+)/Decrease (-) of operating liabilities		-199 318	8 046 876	5 167 763
Cash flow from operations		-15 455 790	873 708	-7 021 853
Investment activities				
Investment in intangible fixed assets		-12 660 074	-9 428 795	-45 749 837
Investments in tangible fixed assets		-248 159	-710 252	-1 832 103
Investments of financial assets		-857 639	-1 011 038	-15 529 363
Cash flow from investment activities		-13 765 873	-11 150 085	-63 111 304
Finansieringsverksamheten				
New issue of shares		0	300 000	376 742 000
Issue expenses		0	-15 000	-10 114 866
Cash flow from financing activities		0	285 000	366 627 134
Cash flow for the period		-29 221 663	-9 991 377	296 493 978
Liquid funds at the beginning of the period		455 205 728	158 805 490	158 805 490
Effects of exchange rate changes on cash		29 518	50 549	-93 739
Liquid funds at the end of the period		426 013 583	148 864 663	455 205 728

Share information

	Q1		Year
	2020	2019	2019
Net income, SEK	1 701 989	-2 970 608	-16 357 771
Cash flow, SEK	-22 699 565	-9 559 595	305 211 589
Number of shares at the beginning of the period	22 736 591	19 156 591	19 156 591
Number of shares at the end of the period	22 736 591	19 276 591	22 736 591
Average number of shares	22 736 591	19 216 591	20 946 591
Outstanding warrants at the beginning of the period	399 234	399 234	994 149
Outstanding warrants at the end of the period	399 234	399 234	399 234
Average number of warrants	399 234	934 149	994 149
Share capital at the end of the period, SEK	2 273 659	1 929 127	2 273 659
Equity at the end of the period, SEK	570 110 720	215 034 379	569 709 602
<i>Earnings per share, SEK</i>			
- Earnings per share before dilution	0,07	-0,15	-0,78
- Earnings per share after dilution	0,07	-0,15	-0,78
Equity per share, SEK	25,07	11,16	25,06
Cash flow per share, SEK	-1,00	-0,50	14,57

Sedana Medical share – facts

Listing	Nasdaq First North Growth Market Sweden
Number of shares *	22 736 591
Market capitalization MSEK *	4 525
Ticker	SEDANA
ISIN	SE0009947534

* Per 31 March 2020

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 in the group annual report 2019.

A departure from the K3 regulation has occurred 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 amortization / net sales

EBIT-margin:

Operating income / net sales

Balance sheet total:

Total assets

Net profit in % of net sales:

Net profit / net sales

Average number of employees:

Average number of employees during the period

Equity ratio:

(Total equity + (1-tax rate) of untaxed reserves) / Total assets

Quick ratio:

Current assets excluding inventory / Current liabilities

Equity per share:

Total equity / number of shares before dilution

Cash flow per share:

Cash flow for the period / number of shares before dilution

NOTE 3 NEW WARRANT PROGRAM

New Warrants Program 2019/2022

The Annual General Meeting on 28 May 2019 in Sedana Medical AB (publ) decided to implement a new warrants program for employees (employees and consultants) in the Sedana Medical Group. The company thus issued 370 000 warrants in the 2019/2022 series, entitled to subscribe for a total of 370 000 shares, all of which were subscribed by the company's subsidiary Sedana Medical Incentive AB for later transfer to employees in the Group. Each warrant entitles to subscribe for a new share in Sedana Medical AB (publ) during the period 1 July to 30 November 2022 at a subscription price of SEK 142,23 per share. Full conditions apply to the warrants, including customary conversion terms, which mean, among other things, that the subscription price as well as the number of shares that the warrants qualify for subscription may in some cases be recalculated, e.g. in the event that the company makes changes in the share capital and / or the number of shares through, for example, issue of shares or other securities, aggregation or division of shares.

As of the balance sheet date, 89 085 warrants series 2019/2022 have been assigned to employees in the group, with the remaining 307 208 warrants being canceled as of 30 September 2019. All transfers of warrants to employees in the group have been made at market value, calculated according to the Black & Scholes valuation model by an external

valuator. The total purchase sum for the warrants transferred on the balance sheet date amounts to 1 746 138 SEK. A prerequisite for acquiring warrants within the framework of the warrants program 2019/2022 is that employees vis-a-vis Sedana Medical Incentive AB, among others undertakes to resell acquired warrants if the employee's employment or assignment in the group expires before three years have elapsed from the date of acquisition.

Upon full exercise of all series 2019/2022 warrants outstanding as of the balance sheet date, the company's share capital will increase by 8 909 SEK through the issue of 89 085 new shares, corresponding to a dilution of approximately 0,4 percent based on the number of shares in the company on the balance sheet date.

Warrant Program 2017/2021

The annual general meeting of May 19, 2017 resolved to establish a warrant-based incentive program aimed at key company personnel. In this context, a resolution was adopted on the issue of a total of 310 149 2017/2021 series warrants, all of which were subscribed to and allocated to the Company's subsidiary Sedana Medical Incentives AB for onward transfer to the participants in the incentive program. A total of 310 149 warrants were transferred to the participants in the program. All participants are senior executives in the company. The warrants were transferred under market terms. The transfer price was calculated with the aid of the Black & Scholes model by an independent institute. Each warrant entitles the holder to subscribe to one share in the company at a subscription price equivalent to 130 percent of the issue price in the IPO, i.e. 19,50 SEK.

The warrants may be exercised during the period May 15, 2020 through January 31, 2021. The warrants are also subject to customary conditions for conversion in connection with new issues etc.

If all of the warrants transferred to participants in the incentive program are exercised, the company's share capital will increase by around 31 015 SEK through the issue of 310 149 shares, equivalent to a dilution of around 1,4 percent based on the number of shares in the company on the closing date.

Other information

AUDITOR'S REVIEW

This interim report has not been reviewed by the company's auditor.

CERTIFIED ADVISER

Erik Penser Bank, +46 8 463 83 00, certifiedadviser@penser.se, is the certified adviser to Sedana Medical AB (Publ).

FOR FURTHER INFORMATION PLEASE CONTACT

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Maria Engström, CFO,
+46 (0)8-124 05 200

DATES FOR UPCOMING INFORMATION

19 May 2020 Annual general meeting 2020
25 Aug 2020 Interim report Q2 2020
11 Nov 2020 Interim report Q3 2020

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 annual report for 2019.

Danderyd 7 May 2020

Thomas Eklund
Chairman of the Board

Sten Gibeck
Board member

Bengt Julander
Board member

Ola Magnusson
Board member

Eva Walde
Board member

Christer Ahlberg
President and CEO



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