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Press release June 20, 2017

## **Sedana Medical's offering was heavily oversubscribed – trading in the share on Nasdaq First North commences tomorrow**

**Sedana Medical AB (publ) ("Sedana Medical" or the "Company"), a medical technology company on its way to also become a pharmaceutical company, hereby announces its outcome of the initial public offering and listing of its shares on Nasdaq First North (the "Offering").**

**The Offering was heavily oversubscribed and the interest in subscribing for Sedana Medical's shares has been very strong from both Swedish and international institutions as well as the general public in Sweden. Sedana Medical has received approval for admission to trading of the Company's shares on Nasdaq First North and trading commences tomorrow, June 21, 2017.**

- As previously communicated, the price in the Offering is SEK 19.50 per share, corresponding to a total value of the Company's outstanding shares of approximately SEK 206 million, before the Offering.<sup>1</sup>
- In the Offering 5,128,205 new shares are issued and allotted, corresponding to a dilution of 31.5 percent.<sup>2</sup>
- In order to cover any overallocation, the Company has committed to, upon Pareto Securities' request, issue a maximum of an additional 769,230 new shares in the Company, corresponding to up to 15 percent of the total shares offered in the Offering.
- If the overallocation option is fully utilized, the Offering will comprise a maximum of 5,897,435 new shares, corresponding to a dilution of 34.5 percent.<sup>2</sup>
- The new share issue will render gross proceeds of SEK 100–115 million to the Company before transaction costs, depending on the extent of the exercise of the overallocation option.
- Among the new shareholders in Sedana Medical are the cornerstone investors HealthInvest Partners AB, Alto Invest SA, Brohuvudet AB, Nyenburgh Holding B.V., Alfred Berg Kapitalförvaltning and several other well-renowned institutions such as Swedbank Robur, Öhman Hjärt-Lungfond and Lancelot Asset Management.
- Trading in Sedana Medical's shares on Nasdaq First North commences tomorrow June 21, 2017, under the ticker "SEDANA" (ISIN code: SE0009947534).
- Trading is conditional until the settlement day in the Offering, which is expected to be June 22, 2017.

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<sup>1</sup> The valuation is based on the number of outstanding shares before the Offering, adjusted for the convertibles converted into 1,881,509 new shares in conjunction with the Offering (strike price of SEK 2.50), which gives a total of 10,561,509 outstanding shares before the new share issue. The value of the Company's outstanding shares, before the Offering but including 1,040,000 outstanding warrants series 2014/2019 (strike price of SEK 2.50) amounts to SEK 226 million. In addition, the Company has an outstanding shareholder loan, which is converted into 613 594 new shares in conjunction with the Offering (at a price equivalent to the offering price), as well as a new warrant program series 2017/2021, which entitles the holders to subscribe for 310 149 new shares at 130 percent of the offering price.

<sup>2</sup> The dilution is based on the total number of outstanding shares after the Offering adjusted for the convertibles and shareholder loan converted into shares in conjunction with the Offering. In total, the conversions result in 2,495,103 new shares (convertibles 1,881,509 and conversion of shareholder loan 613,594), which are issued in addition to the new share issue exercised in conjunction with the Offering. This gives a total number of outstanding shares after the completion of the Offering of 16,303,308 or 17,072,538 at unutilized or fully utilized overallocation option respectively.

**Christer Ahlberg, CEO, comments:**

*"We are very proud and pleased with the great interest shown to participate in Sedana Medical's offering. The listing and new share issue gives us good prospects for implementing our vision to make inhalation sedation with our AnaConDa and IsoConDa products to a global standard for sedation of mechanically ventilated patients in the intensive care unit. It is with great pleasure that we welcome all new shareholders to participate in our journey to develop Sedana Medical into a leading player in the field of inhalation sedation."*

**Thomas Eklund, Chairman, comments:**

*"Many thanks to our new shareholders and the great trust you have shown by participating in this offer. With the proceeds from the offer, Sedana Medical is now funded to pursue the clinical registration study for the drug candidate IsoConDa and establish inhalation sedation in the intensive care setting."*

**Background to the Offering**

Sedana Medical is a medical technology company active within the field of sedation (treatment with sedative drugs). The Company has for a long time sold the medical device AnaConDa, which for the first time enables inhalation sedation in the intensive care setting. The therapy is widely supported by medical literature showing its many advantages over the current standard of intravenous sedation. No pharmaceutical company has up until now applied for registration of the indication of inhalation sedation in the intensive care setting and use for this indication is thus considered off label and may currently not be marketed.

The main rationale for pursuing the Offering is to fund the ongoing clinical registration study for Sedana Medical's drug candidate IsoConDa in Europe. The study is a non-inferiority study, in which the study has to demonstrate that IsoConDa (isoflurane) is not inferior to propofol, which is currently the standard of care. The study, which will include up to 550 patients, was initiated in the fourth quarter of 2016 and is scheduled to end in the fourth quarter of 2018. The aim of the study is initially to obtain marketing approval for IsoConDa in Europe, which is expected to occur in the fourth quarter of 2019. Subject to obtaining marketing approval, Sedana Medical is expected to be the first company in the world to offer an approved solution for inhalation sedation in the intensive care setting. In addition, the Company is planning to use part of the proceeds from the Offering to fund clinical trials and registration processes for IsoConDa and AnaConDa in the United States, a process scheduled to start in 2017.

Sedana Medical's board of directors and management believe that the Offering and listing constitute an important step in the Company's development and is expected to increase awareness among current and potential partners, customers, personnel and opinion leaders in the medical technology and pharmaceutical industry. The Offering and listing are also expected to benefit Sedana Medical's future growth by improving the Company's access to Swedish and international capital markets, which in turn is expected to support the Company's continued development plan and studies. For these reasons, Sedana Medical's board of directors has applied to list the Company's shares on Nasdaq First North.

**The market in brief**

Sedana Medical's market consists primarily of mechanically ventilated intensive care patients. The market for sedation of mechanically ventilated intensive care patients today consists of established drugs that are administered intravenously. The target group that the Company focuses on are those patients who are ventilated for more than 24 hours, a target group that globally amounts to between two and four million patients per year. In total, the Company consider this to be an addressable market of SEK 10-20 billion per year, of which Europe accounts for about SEK 6 billion.

**Advisers**

Pareto Securities AB is acting sole manager and bookrunner in connection with the Offering. Setterwalls Advokatbyrå AB is legal adviser for the Company and Roschier Advokatbyrå AB is legal adviser for Pareto Securities AB. Pareto Securities is certified advisor for Sedana Medical.

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*This information is such that Sedana Medical AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on 20 June 2017 at 11.15 a.m. (CET).*

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