

Interim report

January–June 2023

sedana medical ab (publ)



"Strong sales momentum and a clear target to achieve EBITDA break-even in our Ex-US business during 2024"

Johannes Doll, President & CEO

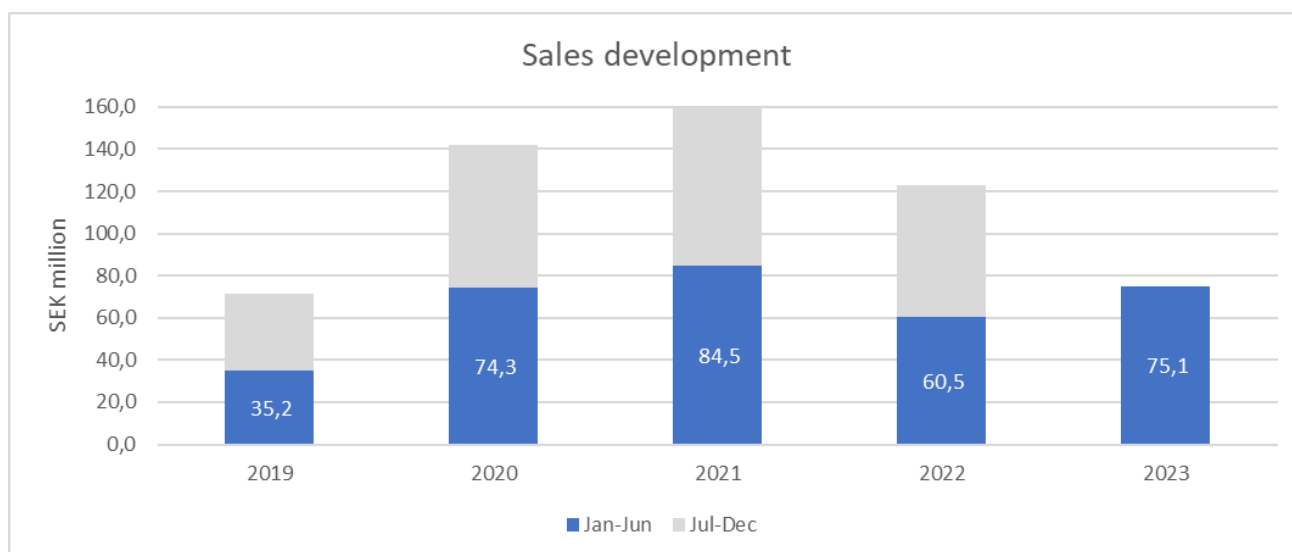
Financial summary

Second quarter 2023

- Net sales for the quarter totalled MSEK 37.3 (26.9), equivalent to an increase of 39% compared to the same quarter 2022. At constant exchange rates, sales increased by 27%.
- Gross profit was MSEK 26.6 (18.9) equivalent to a margin of 71% (70%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -10.7 (-23.9), equivalent to an EBITDA margin of -29% (-89%).
- Operating income (EBIT) totalled MSEK -16.3 (-29.8), equivalent to an EBIT margin of -44% (-111%).
- Net income for the quarter was MSEK 1.4 (-11.1) and earnings per share before and after dilution was SEK 0.01 (-0.11). The main reason behind the positive net income is a positive financial net resulting from currency gains on cash held in USD.
- Cash and short-term investments at the end of the quarter totalled MSEK 504 compared to MSEK 560 at the beginning of the quarter.
- Cash flow from operating activities totalled MSEK -36.0 (-38.6).
- Cash flow from investing activities totalled MSEK -45.8 (-38.8).
- Total cash flow for the quarter was MSEK -83.0 (-75.4).

January-June 2023

- Net sales totalled MSEK 75.1 (60.5), equivalent to an increase of 24% compared to 2022. At constant exchange rates, sales increased by 15%.
- Gross profit was MSEK 54.1 (41.9), equivalent to a margin of 72% (69%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -21.4 (-40.4), equivalent to an EBITDA margin of -28% (-67%).
- Operating income (EBIT) totalled MSEK -32.6 (-51.9), equivalent to an EBIT margin of -43% (-86%).
- Net income for the interim period was MSEK -14.7 (-30.1) and earnings per share before and after dilution was SEK -0.15 (-0.30).
- Cash and short-term investments amounted to MSEK 504 at the end of the period compared to MSEK 608 at the beginning of the year, of which short-term investments were MSEK 317 (0).
- Cash flow from operating activities totalled MSEK -43.0 (-66.1).
- In order to favor from better interest rates, investments in short-term deposits were made of MSEK -306.2 during the period. Cash flow from investing activities thus totalled MSEK -391.4 (-71.0).
- Total cash flow for the period was MSEK -436.7 (-136.3). Adjusted for the allocation of cash to deposits, total cash flow was MSEK -130.6 (-136.3).



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 Stockholm. The company's head office is in Stockholm, Sweden.

CEO comments

Strong sales momentum and a clear target to achieve EBITDA break-even in our Ex-US business during 2024

With 49% growth in Germany (36% excl. currency effects) and 65% growth in our other direct markets (52% excl. currency effects), we report strong sales performance in the second quarter. We remain fully focused on our three strategic priorities: achieve profitable sales growth in Europe, get closer to break-even in our Ex-US business, and make headway towards the NDA approval in the United States.

Strong growth in our direct markets

After showing growth in Q1 for the first time after the Covid-19 pandemic, I am pleased to report that our business grew by 39% (27% excl. currency effects) in the second quarter. This is despite the anticipated sales decline in our distributor markets.

Our main market Germany grew by 49% (36% excl. currency effects). While we have been able to continuously add new hospitals to our customer list, the main growth driver was an increased penetration in existing customers. I am very happy about this development, as it shows that our field force productivity measures are effective, and our compelling clinical benefits convince customers to use inhaled sedation in more of their patients.

Access to our customers has largely normalized, but we continued to see less ventilated patients in German ICUs compared to 2022: on average, the total number of intensive care patients in high-care and ECMO settings, i.e. where ventilators are typically available, was 9% lower than last year. The number of ventilated Covid-19 patients was 67% lower than last year, indicating that Covid-19 today plays a less significant role in intensive care.

Our other direct markets Spain, France, UK, Nordics and Benelux continued on their solid growth trajectory and increased sales by 65% (52% excl. currency effects). The majority of the growth in these markets stems from new customers that we have added over the last year, but we also saw an increased penetration in existing customers. In Spain, the pricing and reimbursement process for our pharmaceutical Sedaconda® (isoflurane) is not yet finalized, although the Spanish Ministry of Health had published information in April that Sedana Medical had been granted pricing and reimbursement approval in April. In the administrative process following the decision, it has become apparent that further adjustments to Sedana Medical's submission are necessary to agree on a mutually satisfactory reimbursement level. Therefore, we have proposed a revised offer to the Ministry of Health and anticipate to receive a new decision at the next meeting of the Drug Pricing Commission in the fall 2023. Despite the delayed pricing and reimbursement decision for our pharmaceutical, Spain remained our fastest growing market during the quarter.

As anticipated, we saw another decline of 38% (44% excl. currency effects) in our distributor markets. Again, the gap is explained by the lack of orders from our South American distributor who continues to work through high inventory levels, especially in Mexico. The last sizeable order from South America was received in the second quarter of 2022, meaning that we are not expecting this kind of decline in our distributor business going forward. Excluding this specific distributor, the remaining distributors showed aggregate growth during the quarter.

Further steps towards profitability Ex-US

We have made it a strategic priority to take decisive steps towards reaching break-even of our Ex-US business. Hard work has been, and still is, ongoing to optimize all elements of our cost structure, enhance organizational effectiveness and improve our commercial focus.

We report a gross margin of 71% for the quarter, up from 70% last year. As already anticipated in the Q1 report, the number is slightly lower than in Q1, but still above the 70% mark. The explanation is that our own price adjustments had affected the income statement faster than the cost increases in the supply chain have.

At fixed currencies, our operating expense level, compared to the same quarter last year, came down by 4% in an inflationary environment, and overall, we were able to improve our EBITDA by 55%.

USA: continued progress in patient enrolment but an adjusted submission plan after FDA interactions

I am pleased to report that patient enrolment for our US clinical program is continuing to progress according to plan. We are in a constructive dialogue with the FDA after the agency granted our Phase III trials Fast Track Designation, a program designed to bring important medications to US patients in an expedited way.

In July, the FDA has requested that we include our long-term outcomes data in the Clinical Study Report (CSR) before submission. This means that the New Drug Application (NDA) can only be submitted once the long-term follow-up is completed, evaluated, and integrated into the Clinical Study Report. Previously Sedana Medical had assumed that the long-



term follow-up data could be submitted during the review period. We estimate that this will shift the submission to Q1 2025 and – assuming a standard review time – the approval to late 2025 or early 2026.

It is important to stress that the study as such is not affected and no new data are required. As the feedback purely impacts the sequence in which we will be able to submit our data, the risk or the cost of the study are not affected either. Therefore, there is no change to our previous statement that our cash position is expected to be sufficient to finalize our clinical program and finance the launch in the United States.

The new timeline currently assumes no positive effects from the Fast Track Designation granted earlier in the year. We will however have the opportunity to discuss possible measures to accelerate the timeline, such as accelerated approval, priority review and rolling review, in a pre-NDA meeting closer to submission. Should the FDA find us eligible for an accelerated review time or a rolling review for instance, the timeline may shorten.

Updated guidance to reflect focus on profitability ex-US

In this report, we are changing the way that we provide financial guidance (see page 5 and 6 for details). There are three new elements in how we provide information about our outlook, which I would like to highlight:

More transparency around our market potential: Sedana Medical is focusing on a unique segment, for which very limited data are available publicly. At the same time, the upcoming US approval will significantly expand our market potential. Therefore, we are creating better transparency around our view on the size of the market potential in our direct markets in Europe and the United States.

Profitability target: we are prioritizing profitable growth and are pursuing a prudent investment strategy, which leads us to invest in profitable and growing markets and to control cost in other markets until they have reached profitability and show a healthy growth momentum. Based on this approach and our solid growth trend this year, we have set a target to achieve EBITDA break even in our Ex-US business during 2024.

Short-term financial targets: after a very volatile sales development during and following the Covid-19 pandemic, we would like to provide more information about what we expect in the upcoming quarters. Therefore, we are introducing short-term targets for sales and – starting from 2024 – EBITDA, which if needed, will be updated in every year-end report for the subsequent financial year.

Continued focus on our strategic priorities

2023 is an important year for Sedana Medical, as we are gradually leaving the Covid-19 aftermath behind and are returning on a growth path. We are fully focused on generating growth and reaching profitability in our ex-US business and simultaneously preparing for our largest potential market, the United States. Half-way into this year, I am pleased to see a stronger and healthier Sedana Medical compared to 2022, and I am looking forward to keeping you updated on our further progress.

Johannes Doll, President and CEO

Significant events during the period

- In January, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation (FTD) for the evaluation of isoflurane delivered via Sedaconda ACD-S for sedation of mechanically ventilated patients in intensive care in the US.
- Patient recruitment for the company's pediatric phase III clinical study in Europe (IsoCOMFORT) was completed.
- In January, Nasdaq Stockholm's Listing Committee approved Sedana Medical's application for admission to trading of the company's shares on Nasdaq Stockholm and the company's shares thus changed marketplace from First North Growth Market to Nasdaq Stockholm's main market. First day of trading on Nasdaq Stockholm was 25 January.
- In February, market approval for Sedaconda (isoflurane) was received in Italy.
- The Annual General Meeting in May decided on Claus Bjerre as the new chairman of the board.
- Topline results from the pediatric phase 3 IsoCOMFORT study were presented.
- At the end of June, a post-hoc analysis of the Sedaconda study SED001 were published in the Journal of Critical Care.

Significant events after the period

- American FDA informed Sedana Medical that data regarding long-term outcomes needs to be included in the Clinical Study Report (CSR) of the INSPIRE-ICU trials before the New Drug Application (NDA) can be submitted.

Market potential

With its innovative product portfolio for inhaled sedation, Sedana Medical is targeting mechanically ventilated patients in intensive care units. Geographically, Sedana Medical has a clear focus on today's direct markets in Europe (Germany, Spain, France, UK, Nordics and Benelux) and its largest potential market, the United States.

In today's direct markets in Europe, a bit less than 1 million intensive care patients annually require mechanical ventilation and sedation¹. Based on this patient population, Sedana Medical sees a market potential for its current product portfolio of approximately 3-4 billion SEK.

In the United States, somewhat more than 2 million patients are mechanically ventilated and sedated each year². Assuming a comparable approved label as in Europe, the market potential in the United States is estimated to be 10-12 billion SEK. This number assumes a relatively modest price difference compared to Europe. If Sedana Medical manages to obtain a price differential that is in line with other sedation therapies, the potential could increase accordingly.

The market potential is projected to grow at low-to-mid single digits per year in line with demographic trends.

In 2022, our sales level in Germany represented a penetration of approximately 10% of the market potential. The best performing sales territories in Germany had a penetration of around 20%. Meanwhile, the aggregate penetration in our other direct markets was still below 1%.

In addition to the primary focus on Europe and the United States, Sedana Medical has distributors in more than 30 countries on all continents.

Strategic priorities

Sedana Medical has set 3 strategic priorities:

1. **Achieve lasting and profitable sales growth in Europe**
Our market authorizations in 17 European countries to date make Sedana Medical the only company offering an approved therapy for inhaled sedation in intensive care. With a strong focus on commercial execution and a prudent investment philosophy that prioritizes profitable growth, we aim at making inhaled sedation a standard therapy.
2. **Maximize the opportunity in the United States**
With more than 100,000 intensive care beds and a generally higher price level for sedation therapies, the United States represent our largest potential market. After completion of our Phase III clinical program, which has received FDA fast track designation, and assuming FDA approval, we aspire to launch our products through our own commercial infrastructure.
3. **Build a long-term profitable company**
Sedana Medical's model with high gross margins and a concentrated customer base (hospitals with intensive care) favours attractive profitability as continue to grow sales. It is a key priority to turn the Ex-US business profitable during 2024, so the US launch can be executed based on a stable financial platform. As we will gradually reach scale and grow the share of US sales, our long-term target is an EBITDA margin around 40%.

¹ Based on publicly available data per country and Sedana Medical's own research

² Based on externally performed market opportunity study

Financial targets

Going forward, Sedana Medical will provide short-term financial targets for net sales and EBITDA and will update these targets in the year-end report of each year or during the year, if needed.

Our financial targets:

- 2023 net sales between 145 and 155 million SEK
- EBITDA break-even of our Ex-US business during 2024

Business update

Sales and commercial execution

Sedana Medical's vision is to make inhaled sedation the new standard of care in intensive care units (ICUs). Our therapy for inhaled sedation in the ICU consists of the unique medical device Sedaconda ACD, the pharmaceutical Sedaconda® (isoflurane) and accessories, and is being commercialized across Europe leveraging our own sales teams, and globally via distributors. Since Q4 2021, we have focused on building a stronger commercial company by directing our investments towards profitable growth opportunities and enhancing the effectiveness of our sales organization. Our philosophy is to invest in countries that show good growth momentum and generate positive cash flow. For example, we have expanded our sales teams in Germany and Spain. Reversely, we have reduced or delayed further investments in lower-potential geographies until we see a clear trend towards break-even in the near term. With this approach, we ensure that all countries contribute positively to the company over time. At the same time, we are placing emphasis on enhancing our field force effectiveness. For example, we have implemented measure to maximize our customer-facing time, a better customer targeting process, more effective selling model and more rigorous performance management.

After returning to growth in Q1 2023 for the first time after the Covid-19 pandemic, we now report net sales growth of 39% for Q2 2023 relative to the prior year. Adjusted for currency effects, sales grew 27% in the quarter. The strong sales performance is driven by our main market, Germany, as well as our other direct markets, with Spain being the fastest growing market at this point.

In our main market Germany, sales grew by 49% in Q2 relative to the prior year (36% excl. currency effects), despite a continued lower number of mechanically ventilated patients in the ICUs. Access to customers has normalized, allowing our field teams to spend most of their time in the field.

In our other direct markets (Spain, France, UK, Nordics and Benelux) sales grew by 65% in the quarter (52% excl. currency effects). Among our other direct markets, Spain has been a top performer in recent quarters, but all direct markets have shown positive growth year-to-date

In our distributor markets, sales declined by 38% in Q2 compared to the prior year (44% excl. currency effects), driven by a decline in sales to our main South American distributor, which is working through high stock levels, which have been built up during the pandemic. The last significant order from this distributor was received in Q2 2022, so the negative year-over-year effect will not be in the quarterly comparisons going forward. All other distributors in aggregate showed positive growth in the quarter.

As previously communicated, we continue to see a gradual improvement of market conditions during 2023. Staff shortages remain a big issue, which will likely take time to resolve, but the pressure in many ICUs has temporarily eased as a result of seasonally lower patient numbers. Strikes of both nurses and doctors, for example in the UK and France, occasionally affect access to clinics, but while these issues sometimes prohibit or delay start-ups of new accounts, trainings or customer visits, we are overall facing a more favorable market environment than in 2022.

Regulatory and pricing/reimbursement approvals

Sedaconda (isoflurane) has received regulatory approvals by the national competent authorities in 17 countries: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden and Switzerland. So far, the pharmaceutical has been made available in Germany, Sweden, Norway, the Netherlands and France. In addition, Sedaconda (isoflurane) has been launched in Slovenia via our distributor in the country.

In April, the Spanish Ministry of Health published information that Sedana Medical had been granted pricing and reimbursement approval for the pharmaceutical Sedaconda (isoflurane) in Spain. In the administrative process following the decision, it has become apparent that further adjustments to Sedana Medical's submission are necessary to agree on a mutually satisfactory reimbursement level, which was confirmed in communication from the Ministry of Health. Therefore, Sedana Medical has proposed a revised offer to the Ministry of Health. Sedana Medical is in constructive discussions with the Ministry of Health and is anticipating to receive a new decision at the next meeting of the Drug Pricing Commission (Comisión Interministerial De Precios De Medicamentos y Productos Sanitarios) in the fall 2023.

The launch of the pharmaceutical Sedaconda (isoflurane) will be postponed until the final pricing and reimbursement decision is reached. The delay does not impact Sedana Medical's ability to sell its medical device portfolio, which is currently showing strong growth rates in Spain. In the UK, more than two years after the submission, we are still awaiting regulatory

approval from the authorities (MHRA). We have received (and answered) questions from MHRA, proving that the case is progressing, but still have not received a confirmed timeline. We are eagerly awaiting approval in the UK so we can leverage the positive guidance from UK's National Institute for Care and Health Excellence (NICE) we received in early 2022, where they recommend Sedaconda ACD as a cost-saving option compared to intravenous (IV) sedation.

US clinical program and launch preparations

Sedana Medical's US clinical program INSPIRE-ICU, aiming at obtaining NDA approval for inhaled sedation in the ICU, is progressing. The US has the highest commercial potential of all markets for Sedana Medical, as it has over 100,000 ICU beds and higher sedation therapy price levels than Europe. INSPIRE-ICU consists of two randomized double-blind clinical studies (INSPIRE-ICU 1 and 2) to confirm and ensure efficacy and safety, based on the same set-up and end-points as our European study (SED001). 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 clinics. We remain highly encouraged by the enthusiasm expressed by the healthcare professionals participating in the trials when they see the benefits of inhaled sedation. 2023 will be the main year for patient recruitment and capex related to the US clinical program. Importantly, Sedana Medical is well funded to complete the study and achieve US approval, with MSEK 504 in cash and short-term deposits at the end of the quarter.

In early 2023, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation (FTD) for the evaluation of isoflurane via the Sedaconda ACD-S device for sedation of mechanically ventilated patients in the intensive care (ICU) setting. Fast Track is a process designed to facilitate the development and expedite the review of therapies that treat serious conditions and fill an unmet medical need. The purpose is to get important new therapies to the patient earlier.

As a result of our recent interactions with the FDA, we have adjusted our submission plan and timeline compared to previous communication. Patients included in the study are planned to undergo a cognitive, psychological and quality of life assessment, at 3 and 6 months after receiving the study medication. The end points of this long-term evaluation are exploratory in nature, but could provide valuable insights about the impact of the sedation method on cognitive recovery after the ICU stay.

Sedana Medical had planned to submit the long-term follow-up data during the NDA review period. However, the FDA has now clarified that the Clinical Study Report included in the NDA filing should include both the main part of the study as well as the long-term follow up. This means that the NDA can only be submitted once the long-term follow-up is performed, evaluated and the full Clinical Study Report is finalized. Our current prediction is that the submission can be expected in the early part of 2025. With a standard review time, this would move the approval to late 2025 or early 2026.

On the positive side, Sedana Medical will have the opportunity to discuss with FDA at a pre-NDA meeting if any of the potential benefits of the Fast Track Designation (accelerated approval, priority review, rolling review) will apply to Sedaconda, which might have a positive effect on overall timelines.

Cost management and resource allocation

Before Sedana Medical enters the US market we want to turn our ex-US business profitable, and we expect to achieve this in terms of EBITDA ex-US during 2024. This means we will continue to invest in profitable growth opportunities, while at the same time making sure to manage our resources in a prudent way. This includes shifting spending from administrative functions to customer-facing functions, and from headquarters to our main direct markets. We report a gross margin of 71% in Q2 2023, compared to 70% in the prior year, driven primarily by price adjustments. We are experiencing cost increases for materials and key components, and sequentially our gross margin is slightly down from 73% in Q1 2023. We maintain close dialogue with our suppliers, and as communicated previously, our target gross margin remains above 70%.

Our efforts to increase efficiency in our operating cost base continue, and we have set plans for 2H 2023 to further prioritize profitable growth initiatives and reduce spending on administration and other overhead costs. In Q2 2023, despite an inflationary environment and weaker SEK, we report operating expenses of just under MSEK 46, which is slightly below the same quarter last year. Adjusted for currency effects, our operating expenses are down 4% compared to the prior year. EBITDA for the quarter was MSEK -11 (-29% EBITDA margin), compared with MSEK -24 last year.

Financial summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	37,288	26,870	75,069	60,524	122,865
Gross profit	26,594	18,895	54,083	41,885	86,074
Gross margin %	71%	70%	72%	69%	70%
EBITDA	-10,711	-23,943	-21,372	-40,387	-83,138
EBITDA margin %	-29%	-89%	-28%	-67%	-68%
Operating income (EBIT)	-16,311	-29,812	-32,608	-51,873	-105,887
Operating margin %	-44%	-111%	-43%	-86%	-86%
Income after net financial items	1,619	-11,000	-14,392	-29,826	-72,933
Net income	1,424	-11,148	-14,698	-30,121	-73,507
Net income margin %	4%	-41%	-20%	-50%	-60%
Total assets	1,060,486	1,132,808	1,060,486	1,132,808	1,081,588
Equity	1,011,872	1,074,166	1,011,872	1,074,166	1,029,155
Equity ratio %	95%	95%	95%	95%	95%
Quick ratio %	1124%	1386%	1124%	1386%	1299%
Debt to equity ratio %	5%	5%	5%	5%	5%
Average number of full-time employees for the period	80	89	80	88	86
Number of employees at balance date	84	92	84	92	85
Number of employees and consultants at balance date	93	98	93	98	95
Average number of shares before dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Average number of shares after dilution	99,336,960	99,336,960	99,336,960	99,386,591	99,336,960
Number of shares at balance date before dilution	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Number of shares at balance date after dilution	99,336,960	99,336,960	99,336,960	99,386,591	99,336,960
Earnings per share before dilution, SEK	0.01	-0.11	-0.15	-0.30	-0.74
Earnings per share after dilution, SEK	0.01	-0.11	-0.15	-0.30	-0.74

Group performance

Net sales

Net sales for the quarter were KSEK 37,288 (26,871), corresponding to an increase of 39 percent. Adjusted for currency effects, the quarter showed an increase of 27 percent.

Our largest market, Germany, was the main contributor to the increase with growth of 49 percent (36 percent at constant exchange rates) compared to the same quarter last year. Also within our Other direct markets in Europe, we saw a sales increase in the second quarter with an increase of 65 percent (52 percent at constant exchange rates) compared to the corresponding quarter previous year. Spain and the UK were the countries that contributed the most to the increase in Other direct markets. The increased sales were partly offset by negative growth in our Distributor markets, which also this quarter were affected by high inventory levels in South America both at the distributors and at the hospitals.

For the interim period, net sales amounted to KSEK 75,069 (60,524), corresponding to an increase of 24 percent. Adjusted for currency effects, the increase was 15 percent.

(KSEK)	Apr-Jun				Jan-Jun				Jan-Dec
	2023	2022	%	%*	2023	2022	%	%*	2022
Germany	26,353	17,715	49%	36%	51,621	40,099	29%	19%	86,099
Other direct sales	8,450	5,125	65%	52%	17,493	10,750	63%	52%	21,831
Distributor markets	2,484	4,030	-38%	-44%	5,954	9,675	-38%	-43%	14,935
Total net sales	37,288	26,871	39%	27%	75,069	60,524	24%	15%	122,865

*) at constant exchange rates

Gross profit and margin

The gross profit for the quarter amounted to KSEK 26,594 (18,895), corresponding to a gross margin of 71 (70) percent. The increase is primarily an effect of higher sales prices compared to the corresponding quarter previous year and lower unallocated central costs.

For the interim period, the gross profit amounted to KSEK 54,083 (41,885), corresponding to a gross margin of 72 (69) percent. The increase is mainly due to higher sales prices compared to the previous year and lower unallocated central costs.

Selling expenses

Selling expenses for the quarter amounted to KSEK -27,761 (-27,659), which is in line with the previous year.

For the interim period, selling expenses amounted to KSEK -54,452 (-54,256), which is in line with the previous year.

Administrative expenses

Administrative expenses for the quarter amounted to KSEK -12,856 (-13,880), which corresponds to a decrease of 7 percent. The reduction is partly due to some costs related to the list change in the second quarter of the previous year, but also to efficiency measures within central administrative functions.

For the interim period, administrative expenses amounted to KSEK -25,330 (-26,441), corresponding to a decrease of 4 percent. The reduction is partly due to some costs related to the list change in the second quarter of the previous year, but also to efficiency measures within central administrative functions.

Research and development expenses

Research and development costs for the quarter amounted to KSEK -4,967 (-4,883), which corresponds to an increase of 2 percent.

For the interim period, research and development costs amounted to KSEK -10,063 (-10,197), corresponding to a decrease of 1 percent.

Other operating income/expenses

Other operating income mainly consists of positive unrealised exchange rate differences on operating items. These totalled KSEK 15,586 (1,876) for the quarter. For the interim period other operating income was KSEK 22,398 (3,717).

Other operating expenses mainly consist of negative unrealised exchange rate differences on operating items. These totalled KSEK -12,907 (-4,161) for the quarter. For the interim period other operating expenses were KSEK -19,244 (-6,581).

Net financial items and earnings per share

Financial net for the quarter totalled KSEK 17,929 (18,812). The amounts consist mainly of unrealised exchange rate differences on cash invested in USD. For the interim period the financial net amounted to KSEK 18,216 (22,047).

Group tax expense for the quarter was KSEK -195 (-148) and consists mainly of current tax in Germany. The group tax expense for the interim period was KSEK -307 (-295). Consequently, earnings per share amounted to SEK 0.01 (-0.11) for the quarter and SEK -0.15 (-0.30) for the interim period.

Capitalised development expenditures

Capitalised development expenditures as of June 30 amounted to KSEK 469,130 compared to KSEK 390,530 at the beginning of the year. The amount mainly consists of expenses related to the clinical studies and registration work carried out in connection with the European market approval of Sedaconda (isoflurane) and thus also inhaled sedation. The amount also includes expenses related to the clinical studies and registration work in the United States preparing for a future market approval. The increase compared to the beginning of the year amounts to KSEK 78,601 and relates mainly to investments in clinical studies and registration work for Sedaconda ACD and Sedaconda (isoflurane) in the US as well as investments related to the company's pediatric study IsoCOMFORT (SED002).

Inventory

As of June 30, inventory amounted to KSEK 45,646 compared to KSEK 38,597 at the beginning of the year. The inventory mainly consists of finished goods and trade goods.

Equity and debt

Equity on June 30 was KSEK 1,011,872, compared to KSEK 1,029,155 at the beginning of the year. This corresponds to SEK 10.19 (10.81) per share. Equity/assets ratio was 95 percent, compared to 95 percent at the beginning of the year. Debt/equity ratio on June 30 was 5 percent, compared to 5 percent at the beginning of the year. The Group had no long-term debt on June 30.

Cash, cash position and short-term investments

Cash and cash equivalents decreased by KSEK 64,630 during the quarter and totalled KSEK 187,013 on June 30, compared to KSEK 251,643 at the beginning of the quarter. Cash flow from operating activities before changes in working capital for the quarter was KSEK -19,418 (-25,092). Cash flow from changes in working capital totalled KSEK -16,559 (-13,513) and was mainly affected by higher inventory levels at quarter end. Cash flow from operating activities thus totalled KSEK -35,977 (-38,605).

Cash flow from investing activities for the quarter totalled KSEK -45,822 (-38,822). The investments consist mostly 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 -1,187 (2,006) and relates to amortisation of lease liabilities.

Translation differences in cash and cash equivalents amounted to KSEK 18,355 (19,195) during the quarter and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the quarter was SEK -0.84 (-0.76).

During the interim period cash and cash equivalents decreased by KSEK 420,729 and totalled KSEK 187,013 on June 30, compared to KSEK 607,742 at the beginning of the year. Cash flow from operating activities before changes in working capital for the period was KSEK -29,401 (-41,380). Cash flow from changes in working capital amounted to KSEK -13,554 (-24,752), which was affected mainly by high inventory levels, but also somewhat lower short-term liabilities compared to the beginning of the year. Cash flow from operating activities thus totalled KSEK -42,955 (-66,132).

Cash flow from investing activities for the interim period amounted to KSEK -391,361 (-70,967). During the first quarter, KSEK 306,156 of the company's cash and cash equivalents were invested short-term in favor of better interest rates. Other 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 period totalled KSEK -2,430 (802) and relates to amortisation of lease liabilities.

Translation differences in cash and cash equivalents for the period amounted to KSEK 16,017 (22,507) and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the period was SEK -4.40 (-1.37). Adjusted for the investment in short-term investments, the cash flow per share amounted to SEK -1.31 (-1.37).

Parent company

The Parent Company's net sales for the interim period totalled KSEK 74,989 (60,451), of which intra-group sales were KSEK 3,806 (3,522).

Operating income for the period totalled KSEK -31,603 (-45,844). Net financial items were KSEK 18,730 (22,416) and relate mainly to unrealised exchange gains on cash balances in foreign currencies, mainly USD.

Shareholders' equity in the Parent Company totalled KSEK 1,037,256 at June 30 2023, compared to KSEK 1,050,412 at the beginning of the year. This corresponds to a decrease of KSEK 13,155. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents stood at KSEK 173,689, compared to KSEK 587,909 at the beginning of the year. Available funds in the parent company, including short-term investments, amounted to KSEK 490,707 compared to KSEK 587,909 at the beginning of the year.

The Sedana Medical share

Sedana Medical share was listed on Nasdaq First North Growth Market Stockholm in 2017 and are since January 25, 2023 listed on Nasdaq Stockholm. Market capitalisation at the end of the second quarter was MSEK 2,686.

The price paid for Sedana Medical shares was SEK 18.70 at the start of the year and SEK 27.04 at the end of the quarter. The lowest closing price during the interim period was recorded on March 21 and was SEK 18.60. The highest closing price was recorded on June 9 and was SEK 33.52.

Share information

	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net income, KSEK	1,424	-11,148	-14,698	-30,121	-73,507
Cash flow, KSEK	-82,986	-75,421	-436,746	-136,297	-254,722
Number of shares at balance date	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Average number of shares	99,336,960	99,336,960	99,336,960	99,336,960	99,336,960
Outstanding warrants at balance date	1,003,959	1,326,444	1,003,959	1,326,444	1,003,959
Average number of warrants	1,003,959	963,781	1,003,959	735,670	1,005,192
Share capital at balance date, KSEK	2,483	2,483	2,483	2,483	2,483
Equity at balance date, KSEK	1,011,872	1,074,166	1,011,872	1,074,166	1,029,156
Earnings per share before dilution, SEK	0.01	-0.11	-0.15	-0.30	-0.74
Earnings per share after dilution, SEK	0.01	-0.11	-0.15	-0.30	-0.74
Equity per share, SEK	10.19	10.81	10.19	10.81	10.36
Cash flow per share, SEK	-0.84	-0.76	-4.40	-1.37	-2.56

Largest shareholders at the end of the period

	No of shares	Share
Linc AB	10,111,030	10.2%
Swedbank Robur Funds	9,519,013	9.6%
Anders Walldov direct and indirect (Brohuvudet AB)	8,500,000	8.6%
Handelsbanken Funds	7,984,846	8.0%
Ola Magnusson direct and indirect (Magiola AB)	4,462,098	4.5%
Sten Gibeck	4,286,276	4.3%
Öhman Funds	4,248,097	4.3%
Highclere International Investors LLP	3,282,254	3.3%
Bank of Norway	2,593,635	2.6%
AMF Pension	2,491,000	2.5%
Berenberg Funds	1,856,748	1.9%
Third Swedish National Pensin Fund	1,735,989	1.7%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Amundi	1,198,319	1.2%
Avanza Pension	1,177,488	1.2%
Fifteen largest shareholders	65,113,257	65.5%
Others	34,223,703	34.5%
Total	99,336,960	100.0%

Facts about the share

Trading

Nasdaq Stockholm

No of shares as per Jun 30, 2023
99 336 960

Market cap as per Jun 30, 2023
SEK 2,686 million

Ticker

SEDANA

ISIN

SE0015988373

LEI-code

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 2023

Claus Bjerre
Chairman of the Board

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 Stockholm.

Presentation of the interim report

Sedana Medical presents the interim report to investors, asset managers, analysts and media on July 21 2023 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/45894>

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

Financial calendar

Interim Report Q3 2023 26 October 2023

Consolidated income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	37,288	26,870	75,069	60,524	122,865
Cost of goods sold	-10,693	-7,975	-20,985	-18,639	-36,791
Gross profit	26,594	18,895	54,083	41,885	86,074
Selling expenses	-27,761	-27,659	-54,452	-54,256	-112,469
Administrative expenses	-12,856	-13,880	-25,330	-26,441	-57,473
Research and development expenses	-4,967	-4,883	-10,063	-10,197	-19,944
Other operating income	15,586	1,876	22,398	3,717	13,319
Other operating expenses	-12,907	-4,161	-19,244	-6,581	-15,394
Operating income	-16,311	-29,812	-32,608	-51,873	-105,887
Financial items					
Financial income	19,213	19,364	20,456	22,819	48,300
Financial expenses	-1,284	-552	-2,240	-772	-15,346
Net financial items	17,929	18,812	18,216	22,047	32,954
Income before taxes	1,619	-11,000	-14,392	-29,826	-72,933
Tax	-195	-148	-307	-295	-574
Net income	1,424	-11,148	-14,698	-30,121	-73,507
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:					
Before dilution	0.01	-0.11	-0.15	-0.30	-0.74
After dilution	0.01	-0.11	-0.15	-0.30	-0.74
Operating income (EBIT)	-16,311	-29,812	-32,608	-51,873	-105,887
Whereof amortisation of intangible assets	-3,863	-4,070	-7,721	-7,876	-15,538
Whereof depreciation of tangible assets	-1,737	-1,799	-3,515	-3,610	-7,211
EBITDA	-10,711	-23,943	-21,372	-40,387	-83,138

Consolidated statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net income	1,424	-11,148	-14,698	-30,121	-73,507
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	-1,982	-1,027	-2,586	-1,210	-2,834
Other comprehensive income, net after tax	-1,982	-1,027	-2,586	-1,210	-2,834
Total comprehensive income	-558	-12,175	-17,284	-31,331	-76,341
Total comprehensive income as a whole attributable to the parent company's shareholders	-558	-12,175	-17,284	-31,331	-76,341

Consolidated balance sheet, summary

(KSEK)	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Intangible assets			
Capitalised development expenditure	469,130	330,774	390,530
Concessions, patents, licenses, etc.	3,379	2,523	2,849
Tangible assets			
Machinery and other technical facilities	867	1,102	955
Equipment, tools and installations	3,490	5,502	4,492
Rights of use	7,350	9,876	9,271
Financial assets			
Other long-term assets	48	44	46
Deferred tax assets			
	30	28	29
Total fixed assets	484,294	349,849	408,172
Inventory	45,646	32,358	38,597
Tax receivables	723	720	514
Accounts receivable	14,818	14,441	15,849
Prepayments and accrued income	9,290	8,028	6,017
Other receivables	1,683	5,021	4,697
Short-term investments	317,018	-	-
Cash and cash equivalents	187,013	722,391	607,742
Total current assets	576,192	782,959	673,416
TOTAL ASSETS	1,060,486	1,132,808	1,081,588
(KSEK)			
	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	2,483	2,483	2,483
Other contributed capital	1,226,436	1,226,436	1,226,435
Translation difference	-5,236	-1,026	-2,650
Retained earnings including net profit	-211,811	-153,727	-197,113
Equity attributable to the parent company's shareholders	1,011,872	1,074,166	1,029,155
Non-current liabilities			
Leasing liabilities	1,430	4,489	3,576
Total non-current liabilities	1,430	4,489	3,576
Current liabilities			
Leasing liabilities	5,340	4,902	5,167
Accounts payable	8,758	10,230	11,270
Tax debt	1,349	3,548	2,559
Other liabilities	5,623	6,425	6,929
Accrued expenses and deferred income	26,114	29,048	22,932
Total current liabilities	47,184	54,153	48,857
Total liabilities	48,614	58,642	52,433
TOTAL EQUITY AND LIABILITIES	1,060,486	1,132,808	1,081,588

Consolidated statement of changes in equity, summary

Equity attributable to parent company shareholders

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings incl net income	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
Costs related to warrant programme	-	-490	-	-	-490
Repurchase of warrants	-	-97	-	-	-97
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

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings incl net income	Total
Opening equity at Jan 1, 2023	2,483	1,226,436	-2,650	-197,113	1,029,157
Net income	-	-	-	-14,698	-14,698
Other comprehensive income	-	-	-2,586	-	-2,586
Total comprehensive income	-	-	-2,586	-14,698	-17,284
Transactions with the Group's owners					
Total transactions with the Group's owners	-	-	-	-	-
Closing equity at Jun 30, 2023	2,483	1,226,436	-5,236	-211,811	1,011,872

Consolidated cash flow statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Operating activities					
Operating income	-16,311	-29,812	-32,608	-51,873	-105,887
<i>Adjustments for non-cash items</i>					
Depreciations and amortisations	5,599	5,869	11,236	11,486	22,749
Exchange rate differences	-9,097	-1,976	-8,963	-1,740	-863
Other non-cash items	623	1,038	1,334	1,152	1,152
Interest received	15	1	15	1	3,580
Interest paid	-55	-61	-110	-124	-255
Taxes paid	-193	-151	-305	-282	-583
Cash flow from operating activities before changes in working capital	-19,418	-25,092	-29,401	-41,380	-80,108
<i>Cash flow from changes in working capital</i>					
Cash flow from inventories	-7,378	-13,860	-8,249	-21,265	-27,504
Cash flow from operating receivables	-6,347	713	-1,657	4,907	7,494
Cash flow from operating liabilities	-2,834	-366	-3,648	-8,394	-15,315
Cash flow from operating activities	-35,977	-38,605	-42,955	-66,132	-115,433
Investing activities					
Investments in intangible assets	-45,754	-38,721	-85,043	-70,381	-137,048
Investments in tangible assets	-68	-101	-162	-586	-735
Investments in short-term deposits	-	-	-306,156	-	-
Cash flow from investing activities	-45,822	-38,822	-391,361	-70,967	-137,783
Financing activities					
New share issue	-	-	-	-	-
Issue expenses	-	-	-	-	-
Amortisation of leasing liabilities	-1,187	-1,094	-2,430	-2,201	-4,510
Received premium for warrant subscription	-	3,590	-	3,590	3,590
Costs related to warrant programme	-	-490	-	-490	-490
Repurchase of warrants	-	-	-	-97	-97
Cash flow from financing activities	-1,187	2,006	-2,430	802	-1,507
Cash flow for the period	-82,986	-75,421	-436,746	-136,297	-254,722
Cash and cash equivalents at the beginning of the period	251,643	778,617	607,742	836,181	836,181
Translation difference	18,355	19,195	16,017	22,507	26,283
Cash and cash equivalents at the end of the period	187,013	722,391	187,013	722,391	607,742

Parent company income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net sales	37,253	26,825	74,989	60,451	122,726
Cost of goods sold	-10,204	-7,141	-20,037	-16,876	-34,092
Gross profit	27,049	19,684	54,952	43,575	88,634
Selling expenses	-16,343	-16,260	-33,211	-31,642	-68,360
Administration costs	-27,080	-28,598	-51,777	-55,499	-112,498
Research and development costs	-4,379	-3,817	-8,725	-8,178	-16,927
Other operating income	15,827	4,633	26,064	12,202	30,757
Other operating expenses	-12,868	-4,098	-18,906	-6,302	-15,238
Operating income	-17,793	-28,456	-31,603	-45,844	-93,632
Financial items					
Financial income	19,065	19,345	20,871	23,044	48,965
Financial expenses	-1,244	-473	-2,140	-628	-15,074
Net financial items	17,821	18,872	18,730	22,416	33,891
Income after net financial items	27	-9,584	-12,873	-23,428	-59,741
Group contribution	-	-	-	-	0
Income before tax	27	-9,584	-12,873	-23,428	-59,741
Income tax	-	-	-	-	-
Net income	27	-9,584	-12,873	-23,428	-59,741

Parent company statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net income	27	-9,584	-12,873	-23,428	-59,741
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	-217	-140	-282	-203	-416
	-217	-140	-282	-203	-416
Other comprehensive income, net after tax					
Total comprehensive income	-190	-9,724	-13,155	-23,631	-60,158

Parent company balance sheet, summary

(KSEK)	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Intangible assets			
Capitalised development expenditure	439,294	311,550	365,470
Tangible assets			
Machinery and other technical facilities	784	808	795
Equipment, tools and installations	3,172	4,911	4,066
Financial assets			
Other long-term assets	404	404	404
Non-current receivables, group companies	37,167	31,891	34,518
Total fixed assets	480,821	349,564	405,253
Inventory	45,646	32,358	38,597
Tax receivables	6	4	4
Accounts receivable	12,267	12,613	14,102
Receivables, group companies	53,558	35,910	49,893
Prepayments and accrued income	9,067	7,481	5,823
Other receivables	842	3,658	4,072
Short-term investments	317,018	-	-
Cash and cash equivalents	173,689	702,458	587,909
Total current assets	612,093	794,482	700,401
TOTAL ASSETS	1,092,914	1,144,046	1,105,654
(KSEK)			
	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	2,483	2,483	2,483
Fund for capitalised development expenses	431,331	304,619	356,396
<i>Non-restricted equity</i>			
Share premium fund	1,226,435	1,226,436	1,226,435
Retained earnings	-610,120	-423,172	-475,162
Net income	-12,873	-23,428	-59,741
Equity attributable to the parent company's shareholders	1,037,256	1,086,938	1,050,412
Current liabilities			
Accounts payable	8,475	9,836	10,711
Liabilities to group companies	21,481	14,849	18,092
Tax debt	1,105	3,062	2,300
Other liabilities	3,855	4,739	5,287
Accrued expenses and deferred income	20,741	24,622	18,852
Total current liabilities	55,657	57,108	55,242
Total liabilities	55,657	57,108	55,242
TOTAL EQUITY AND LIABILITIES	1,092,914	1,144,046	1,105,654

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 2022 Annual Report of Sedana Medical. None of the other published standards and interpretations that are mandatory for the Group for the financial year 2023 are deemed to have any impact on the Group's financial reports.

During the first quarter of this year, investments were made in short-term investments, so-called deposits in SEK and USD, with a term of 6 months. These are valued at acquisition value and converted to Swedish kronor according to the exchange rate on the balance sheet date.

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 2022 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.

These key ratios that are not defined according to IFRS are also presented in the report because they are considered to constitute important supplementary key ratios for the company's results. For information on these key ratios and how they have been calculated, please see definitions on page 21 and <https://sedanamedical.com/investors/financial-reports-presentations/key-ratios/>

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 2022 Annual Report on pages 40-42.

Personnel

During the period, the Group had an average of 80 (88) full time employees and 7 (7) full time consultants, representing a decrease of 8 on the same period in 2022. At the end of the quarter, the total number of employees was 84 and the total number of consultants was 9 compared to 92 and 6 respectively at the corresponding balance date last year. The decrease in the number of people is mainly a result of efficiency measures in central administrative and support functions.

Transactions with related parties

Transactions with related parties take place on market terms. During 2021, Sedana Medical provided a loan amounting to KSEK 300 to Stefan Krisch and as of June 30, the claim amounts to KSEK 274. Stefan is part of Sedana Medical's management team. During 2021, a consulting agreement was also signed between Sedana Medical and board member Claus Bjerre. In total, since the agreement was signed, 200 KSEK regarding this agreement has been settled.

Sedana Medical reports compensation and benefits to senior executives in accordance with IAS 19 Employee benefits. Additional information can be found in Sedana Medical's annual report for 2022, page 54-55.

Warrant programme

At the end of the interim period Sedana Medical had 1,003,959 outstanding warrants where 1 warrant equals 1 share at conversion.

Programme	Position	Number of acquired warrants at the beginning of the period	Number of acquired warrants during the period	Number of expired warrants during the period	Number of repurchased warrants during the period	Number of warrants at the end of the period	Terms*	Strike price (SEK)
2020/2023	CEO	-	-	-	-	-	1:1	83.65
2020/2023	Senior management	4,000	-	-	-	4,000	1:1	83.65
2020/2023	Other employees	26,560	-	-	-	26,560	1:1	83.65
2020/2023	Total	30,560	-	-	-	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	231,606	-	-	-	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	-	-	-	98,341	1:1	46.24
2022/2025:2	Total	329,947	-	-	-	329,947	1:1	46.24
<i>Exercise period 30 May 2025 - 30 September 2025</i>								
Total	CEO	495,000	-	-	-	495,000		
Total	Senior management	260,806	-	-	-	260,806		
Total	Other employees	248,153	-	-	-	248,153		
	Total	1,003,959	-	-	-	1,003,959		

* 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

Number of employees at the end of the period

Number of employees excluding consultants regardless of employment rate per balance sheet date. Sick leave and parental leave are included. Holidays are not excluded

Number of employees and consultants at the end of the period

Number of employees including consultants regardless of employment rate per balance sheet date. Sick leave and parental leave are included. Holidays are not excluded

Operating margin

Operating income divided by net sales

Quick ratio

Current assets excluding inventories divided by current liabilities

Tax rates for the parent company

2023: 20,6%

2022: 20.6%