



sedanamedical

Bringing inhaled sedation to intensive care

Interim Report

January–June 2024

sedana medical ab (publ)



"Enrolment of both US clinical trials completed, on track for first results in 2H."

Johannes Doll, President & CEO

Q1 **Q2** Q3 Q4

Financial summary

Second quarter 2024

- Net sales for the quarter totaled MSEK 41.1 (37.3), equivalent to an increase of 10% compared to the same quarter 2023. At constant exchange rates, sales increased by 10%.
- Gross profit was MSEK 29.0 (26.6) equivalent to a margin of 71% (71%).
- Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled MSEK -13.9 (-10.7), equivalent to an EBITDA margin of -34% (-29%). EBITDA ex-US for the quarter was MSEK -10.8 (-10.2) corresponding to a margin of -26% (-27%). EBITDA during the quarter was negatively impacted by exchange rate differences on operating balance sheet items of MSEK -2.2, while EBITDA in the second quarter last year included a positive such effect of MSEK 2.7.
- Operating income (EBIT) totaled MSEK -19.1 (-16.3), equivalent to an EBIT margin of -46% (-44%).
- Net income for the quarter was MSEK -17.2 (1.4) and earnings per share before and after dilution was SEK -0.18 (0.01). The decrease is mainly due to a lower financial net compared to the same quarter 2023. The financial net partly consists of unrealized currency effects on cash and cash equivalents held in USD, but also of interest revenue on cash and cash equivalents.
- Cash and cash equivalents at the end of the quarter totaled MSEK 304 compared to MSEK 361 at the beginning of the quarter.
- Cash flow from operating activities totaled MSEK 1.9 (-36.0). The positive operating cash flow derives mainly from payments from customers following high sales in the first quarter and also increased short-term liabilities due to phasing of payments regarding the US clinical program.
- Cash flow from investments in intangible assets, mostly driven by our US clinical program, totaled MSEK -55.6 (-45.8). Total cash flow from investment activities were MSEK -55.8 (-45.8).
- Total cash flow for the quarter was MSEK -54.4 (-83.0).

January-June 2024

- Net sales for the period totaled MSEK 89.9 (75.1), equivalent to an increase of 20% compared to 2023. At constant exchange rates, sales increased by 19%.
- Gross profit was MSEK 63.7 (54.1) equivalent to a margin of 71% (72%). The decrease is mainly due to product mix effects.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled MSEK -14.9 (-21.4), equivalent to an EBITDA margin of -17% (-28%). EBITDA ex-US was MSEK -9.2 (-20.3) corresponding to a margin of -10% (-27%).
- Operating income (EBIT) totaled MSEK -25.6 (-32.6), equivalent to an EBIT margin of -29% (-43%).
- Net income was MSEK 3.4 (-14.7) and earnings per share before and after dilution was SEK 0.03 (-0.15). The increase is due to a higher financial net compared to last year. The financial net partly consists of unrealized currency effects on cash and cash equivalents held in USD, but also of received interest on cash and cash equivalents.
- Cash and short-term investments at the end of the period totaled MSEK 304 compared to MSEK 382 at the beginning of the year, supported by a positive exchange rate effect of MSEK 17.1.
- Cash flow from operating activities totaled MSEK 10.3 (-43.0). The positive operating cash flow derives mainly from increased short-term liabilities due to phasing of payments regarding the US clinical program and also payments from customers following high sales in the first quarter together with received interest on cash and cash equivalents of MSEK 4.6 related to repaid deposits during the first quarter.
- Cash flow from investments in intangible assets, mostly driven by our US clinical program, totaled MSEK -107.7 (-85.0). Including repaid deposits and the previous year's investment in deposits, total cash flow from investment activities totaled MSEK 47.4 (-391.4).
- Total cash flow for the period was MSEK 55.9 (-436.7). Excluding the repaid deposits and the previous year's investment in deposits, the total cash flow amounted to MSEK -99.4 (-130.6).



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

We continue to focus on our ambitious goals for 2024: achieving an all-time-high in sales, reaching EBITDA break-even outside of the US during the year, and progressing towards our single biggest growth opportunity, launching in the United States. The highlights of the past months include the enrollment completion of both our Phase III clinical trials in the US and the acquisition of our main supplier Innovatif Ceval, an important milestone in building a long-term profitable company. Despite more modest sales growth compared to the first quarter, we have delivered H1 sales above our guidance.

H1 growth above our financial guidance

During last year's restructuring, we turned Sedana Medical into a much more commercially oriented company by vigorously shifting resources from the corporate headquarter to the frontline and implementing a disciplined investment approach, focusing on countries with strong momentum and profitability. This strategy has resulted in a return to a solid growth path after the post-Covid-19 period and we now operate almost all of our country organizations in a profitable way.

With net sales of 41 MSEK, we report the highest Q2 sales so far, and with a year-over-year growth rate of 19% excluding exchange rate effects in the first half year, we track above our full-year growth guidance corridor of 14-18%. While I am pleased with these results overall, we also have to clearly state that the Q2 growth rate of 10% is quite soft, especially in comparison to the excellent first quarter.

Part of the explanation for the difference in growth rates between Q1 and Q2 lies in the fact that Q1 and Q2 had almost the same sales level last year, which is atypical. Normally, we see a seasonal decline in Q2 compared to Q1 by on average 10%¹, as fewer patients require intensive care during the warmer months. With a 13% sales decline between Q1 and Q2 this year (correcting for the sizeable order from our South American distributor in Q1), the seasonal decline was more pronounced, especially in our main market Germany. In June, we measured the capacity utilization and the number of mechanically ventilated patients in a sample of 40 key German customers. We found that the share of mechanically ventilated patients relative to available ventilator beds was only 20%, compared to the normal range of 40-50%. This temporary absence of ventilated patients, likely due to the early onset of summer weather, led to very weak German sales in June, with a decline of over 20% compared to June 2023. Both April and May, as well as the first weeks of July, showed growth compared to the previous year, suggesting that the June decline was temporary.

Our other direct markets have continued their strong growth trajectory, achieving a growth rate for the second quarter of 46% excluding exchange rate effects. Spain remains our main growth engine, benefiting from an expanded customer base, pricing and reimbursement approval, and the launch of our pharmaceutical Sedaconda (isoflurane) in Q4 2023. Additionally, we have seen significantly accelerated sales growth in the UK following MHRA approval at the end of 2023. Our other direct markets now account for almost 30% of our total sales, underscoring the importance of our strategy to reduce dependence on our main market, Germany. This diversification is crucial as our direct markets outside Germany play an increasingly vital role in achieving our overall growth ambitions.

Our distributor business grew 29% year-over-year in Q2 excluding exchange rate effects, which is now the third consecutive quarter with solid year-over-year growth after a period of sales decline post-Covid. Our targeted approach, which focuses our support on select key partners with high potential and positive momentum, is bearing fruit.

Strategic acquisition for long-term profitability

We continue to take action to improve our bottom line, which underscores our commitment to financial resilience and our clear aim to reach ex-US break-even again during this year, as we did in Q1 (with some support from FX). In July, we have signed an agreement to acquire our main supplier Innovatif Ceval in Malaysia. After streamlining our non-customer-facing functions and shifting resources towards the frontline, this acquisition represents the next strategic move towards building a long-term profitable company. By taking control of the supply chain for our main product Sedaconda ACD and some accessories, we expect to add two percentage points to our EBITDA margin over time.

As anticipated, our Q2 EBITDA was lower than in Q1, when we achieved a positive ex-US EBITDA and nearly balanced group EBITDA. The primary driver of the decline is the seasonally lower sales level and an exchange rate effect of 4.5 MSEK. The remainder is explained by higher admin cost, which are mostly related to higher legal fees in connection with the acquisition of Innovatif Ceval and the long-term incentive program, which was approved by the AGM in May.

Enrollment completion in the USA

With a potential commercial launch upcoming already in 2026, we are becoming even more excited about the growth opportunity in the United States, where we estimate the market potential for our inhaled sedation products to 10-12 BSEK. This figure is approximately three times greater than the combined market potential of our current direct markets in Europe. Several factors contribute to this significant opportunity, including the larger population size, a medical practice



¹ Based on the years 2016-2022, excluding the exceptional Covid-19 year 2020

more in favor of intubation, and an overall attractive pricing environment. With a good fit with the US healthcare and reimbursement system and a potentially significant positive impact on customers' economics, we feel well positioned for a successful US launch.

By recruiting the last patient in both INSPIRE ICU-1 and INSPIRE ICU-2 in April and May respectively, we have cleared a very important milestone on our road to the US market. Besides this great achievement, I am pleased that we remain on track with the activities that we can control, such as the ongoing long-term 3 and 6 month follow up assessment of the study patients, and the work on the different parts of the NDA dossier. We are hence still aiming for receiving top-line study data in the second half of this year and a submission in the first quarter of next year.

To meet this timeline, we will depend on the agency's acceptance of our analysis and submission plans and a positive data read-out. Also the FDA's decision regarding our eligibility for benefits based on the Fast Track Designation may have an impact on the timeline. We continue to be in close exchange with the FDA, leveraging our Fast Track Designation including more frequent access to the agency.

Exciting times ahead

Reflecting on the progress we have made in the first half of the year, I continue to see Sedana Medical well on track to deliver on our goals. I would like to thank the entire Sedana Medical team for their efforts for the benefit of patients and ICU care teams, and of course our shareholders for your continued trust and support. With the ambition of ex-US break-even and hopefully positive topline data from the US, the second half of 2024 holds the potential to be an inflection point in Sedana Medical's journey. I am looking forward to updating you on our progress.

Johannes Doll, President & CEO

Significant events during the period

First quarter

- During the first quarter, Sedana Medical achieved the highest quarterly sales in the company's history, including the Covid-19 period, where sales were inflated by high patient numbers and unusual stocking effects.
- We achieved a positive EBITDA ex-US, in the first quarter which marked the first time in the company's history, with the exception of Q1 2020, when extraordinary Covid-related sales resulted in a slightly positive EBITDA.
- An ESG (Environmental, Social, Governance) Committee was established to underscore the commitment to build a long-term sustainable and responsible business.

Second quarter

- Enrollment of both our US clinical studies was completed in April and May respectively.
- Two new Board members were elected by the AGM in May: Donna Haire and Jens Viebke.

Significant events after the period

- In July, Sedana Medical announced the acquisition of Innovatif Cekal, the supplier of the company's main product Sedaconda ACD. Acquiring Innovatif Cekal enables better control of the supply chain and improved profitability by reducing the cost of goods sold. Closing of the acquisition is expected in the second half of the year.

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.

The company's main device Sedaconda ACD is approved and sold in more than 40 countries. In 18 of these countries, Sedana Medical has approval for both its main device Sedaconda ACD and its proprietary pharmaceutical Sedaconda (isoflurane).

In today's direct markets in Europe, a bit less than 1 million intensive care patients annually require mechanical ventilation and sedation². 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 year³. 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 2023, our sales level in Germany represented a penetration of approximately 12% of the market potential. The best performing sales territories in Germany had a penetration in excess of 20%. Meanwhile, the aggregate penetration in our other direct markets was still below 2%, leaving ample opportunities for growth.

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 18 European countries 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%.

² Based on publicly available data per country and Sedana Medical's own research

³ Based on externally performed market opportunity study

Financial targets

Sedana Medical provides short-term financial targets for net sales and EBITDA and updates these targets in the year-end report of each year or during the year, if needed.

Our financial targets:

- 2024 net sales growth between 14 and 18%, compared to 16% in 2023*)
- EBITDA break-even of our Ex-US business during 2024

*) at constant exchange rates

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. We are 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, and have recruited another Key Account Manager to the Spanish team who will start in the third quarter. 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 measures to maximize our customer-facing time, a better customer targeting process, more effective selling model and more rigorous performance management, including effective incentive schemes that reward high performance.

Our growth trajectory that was re-established in 2023 has continued during 2024. In Q2 we report net sales growth of 10% against a strong comparator period in 2023, and we report net sales growth of 20% for the first half of the year. In local currency, sales grew 10% and 19%, respectively.

The sales growth was lower in Q2 than Q1, and this was particularly the case in our main market Germany, where sales decreased by 3% relative to last year (4% in local currency). Two factors contributed to the decline. Firstly, 2023 showed an unusual sales pattern with Q2 sales in Germany exceeding Q1 sales, which was contrary to the normal seasonal pattern. In addition, we saw an exceptionally weak June, where our market research has shown that only 20% of ventilator beds were used by a mechanically ventilated patient. Apart from this outlier in June, sales in Germany grew in April and May, and also in the first weeks of July.

In our other direct markets (Spain, France, UK, Nordics and Benelux) sales grew by 47% during the quarter (46% in local currency). Among these markets, Spain continues to be a top performer, and now matched by the UK in terms of growth rate – albeit from a lower base – after we obtained MHRA approval in late 2023.

Also our French business showed positive growth rates during the quarter, even though the momentum was somewhat slowed down by two vacancies in the field team, which we expect to fill soon.

In our distributor markets, sales increased by 30% compared to last year (29% in local currency). The growth was driven by our prioritized distributor partners, and mainly in Europe during Q2.

Regulatory and pricing/reimbursement approvals in Europe

Sedaconda (isoflurane) has received regulatory approvals by the national authorities in all 18 countries where we have submitted an application: Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. So far, the pharmaceutical has been made available in Germany, France, Spain, Sweden, Norway, Belgium and the Netherlands. In addition, Sedaconda (isoflurane) has been launched in Slovenia via our distributor in the country.

In Q4 2023, more than two years after submitting our application, we received regulatory approval for Sedaconda (Isoflurane) from the authorities in the UK (MHRA). Already in 2022, the UK National Institute for Health and Care Excellence (NICE) recommended the Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care. According to NICE, cost modelling had shown cost savings compared with intravenous (IV) sedation of approximately £3,800 per adult patient (30-day time horizon for adult patients needing mechanical ventilation for 24 hours or longer in intensive care). The MHRA approval in combination with the positive NICE guidance is leading to more ICU patients in the UK benefitting from inhaled sedation, which we can clearly see reflected in our sales YTD. Also late 2023, the Spanish Ministry of Health granted pricing and reimbursement approval for Sedaconda (isoflurane) and we launched the pharmaceutical in the country, which is now contributing to the strong sales growth in this market.

Regarding our pediatric label expansion at the end of 2023 we filed the regulatory submission to the EU competent authority to obtain an approval for sedation of mechanically ventilated children in intensive care. We expect that the regulatory review process of the Reference Member State and Concerned Member States in Europe will be completed in H2 2024, after which the national approval processes will follow. The European Medicines Agency's Pediatric Committee issued a positive opinion regarding the compliance with the company's Pediatric Investigation Plan during Q4 2023. This confirms data exclusivity and market protection for Sedaconda (isoflurane) until 2031.

US clinical program and launch preparations

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. Sedana Medical's US clinical program INSPIRE-ICU, aiming at obtaining NDA (approval) for inhaled sedation in the ICU, reached a significant milestone in Q2 when patient recruitment for both the INSPIRE-ICU 1 and 2 clinical trials was completed (as announced on April 25 and May 29, respectively). The two randomized double-blind clinical studies aim 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 is 557 (of which 470 randomized and the remainder run-in patients), recruited across 30 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.

Our prediction is that NDA submission can be expected in the early part of 2025 with an estimated approval by early 2026. In early 2023, the U.S. Food and Drug Administration (FDA) granted our clinical program Fast Track Designation (FTD). 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 faster. 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 communicated timelines.

We estimate the market potential for our inhaled sedation products in the United States to 10-12 BSEK. This figure is approximately three times greater than the combined market potential of our current direct markets. Several factors contribute to this significant opportunity, including the larger population size, a medical practice in favor of intubation compared to Europe, and an overall attractive pricing environment.

Beyond clinical benefits for patients, the key determinant of a medical product's success in the US market lies in its reimbursement status and impact on customers' economics. Although a variety of inpatient hospital payment mechanisms exist, the DRG ("diagnoses-related groups") system is the dominant one for ventilated patients in the ICU. Under the DRGs, a hospital is paid a preset rate based on the patient's diagnoses and procedures. For mechanically ventilated patients, this will in most cases mean that hospitals will see a tangible positive financial effect if patients wake up faster, spend less time on the ventilator and leave the ICU faster – all of which are benefits of inhaled sedation, which we are hoping to prove in our US clinical trial, as we did in Europe.

Moreover, heightened awareness of opioid risks in the US, exacerbated by the opioid crisis with over 100,000 overdose deaths annually, positions our inhaled sedation therapy as a compelling alternative. If our US study replicates the significant reduction of opioid use observed in our previous studies, we stand to benefit from the widespread preference for opioid-sparing therapies.

The benefits of inhaled sedation are also well aligned with existing treatment recommendations, such as the CDC's "Wake up and Breathe" Collaborative, which is intended to get patients off the ventilator sooner and improve recovery time, opening opportunities to get well positioned in treatment guidelines. Based on these insights, we are highly optimistic about the commercial success of inhaled sedation in the US.

As our US clinical program now has completed the patient recruitment phase and work intensifies on preparing our dossier for NDA submission, our US activities are also gradually becoming more commercial. In recent months, we have strengthened our Medical Affairs and Marketing presence in the US, to engage with key opinion leaders and healthcare professionals, and further enhance our understanding of the US market ahead of launch.

Importantly, Sedana Medical is financed to achieve US approval, with MSEK 304 in cash at the end of Q2.

Acquisition of Innovatif Cikal

The acquisition of Innovatif Cikal, the supplier of our main product (Sedaconda ACD), represents the next logical step in building a long-term profitable company, after the restructuring and cost saving program that was implemented last year.

Innovatif Cikal (IC) is a manufacturer of medical devices based in Klang near Kuala Lumpur, Malaysia. IC has two customers: Sedana Medical and another Nordic medical technology company. IC produces Sedana Medical's main product Sedaconda ACD and certain accessories such as adapters, and Sedana Medical has accounted for the majority of IC's sales in recent years.

The acquisition of IC is a good strategic fit and financially accretive for Sedana Medical:

By vertically integrating IC, we assume direct control over a larger share of our cost of goods sold, which reduces the risks related to future cost fluctuations and supply disruptions. The acquisition enables improved control of the future scale-up of production capacity to meet our growth plans. In addition, it allows for potential cost reduction initiatives to be implemented over time.

The acquisition will also improve our margin on our main device and drive value creation, in particular over time as sales are expected to grow further. Over time, when the existing stock at the time of closing has been depleted, the deal is expected to add two percentage points to Sedana Medical's EBITDA, which means that we expect value creation from the acquisition well in excess of the purchase price.

Sedana Medical will purchase all shares in IC for 34 MSEK on a cash and debt free basis. 75% of the purchase price is paid upon closing of the transaction, and the remaining 25% is to be paid 2 years after closing. Based on IC's financial result for the year 2023, the purchase price corresponds to an EBITDA multiple of 4.3x and a P/E multiple of 5.7x. There is no long-term debt in IC.

We will finance the transaction with existing cash. The acquisition is expected to have a net positive impact on our cash flow from operations from 2025 and a net positive impact on its cash balance from 2028. Importantly, we remain financed to deliver on the company's strategic plan also after the acquisition, including obtaining market approval in the USA.

Closing of the transaction is subject to certain deliverables on the part of the seller and is expected to take place during the second half of 2024.

Cost management and resource allocation

We reported positive EBITDA for our ex-US business in Q1 2024, helped by a positive currency effect, which reflects a significant improvement in resource effectiveness achieved through a combination of shifting resources to customer-facing functions in our main markets, as well as outright cost reductions in administrative and headquarter functions. In Q2, we report negative EBITDA, reflecting the seasonally lower sales level, unfavorable exchange rate effects, and a MSEK 2 increase in operational expenses compared with Q1.

We report a gross margin of 71% in Q2 2024, which is in line with Q2 2023 and also Q1 2024. A proportionately higher share of Sedaconda (isoflurane) in the sales mix had a slight negative effect on the percentage gross margin. In addition, we are experiencing cost increases for materials and key components and maintain a close dialogue with our suppliers. As communicated previously, our target gross margin remains at least 70%, even though we may see some volatility due to market and product mix effects.

We report operating expenses of MSEK 46 in Q2 2024, which is in line with the same quarter of last year. Operating expenses are MSEK 2 higher than in Q1 2024, driven by administrative costs mainly related to legal fees (related to the acquisition of Innovatif Cekal and the LTIP approved by the AGM) and personnel, of which 1 MSEK can be considered non-recurring.

EBITDA for the quarter was MSEK -14 compared to MSEK -11 in the same quarter last year and MSEK -1 in Q1 2024. EBITDA Ex-US for the quarter was MSEK -11, compared with MSEK -10 in the same quarter last year. EBITDA for the quarter includes a net FX effect of MSEK -2, compared with MSEK 3 in the same quarter last year and MSEK 2 in Q1 2024.

We remain focused on profitable growth opportunities and making sure to manage our resources in a prudent way, to launch in the US backed by a solid foundation in Europe.

ESG sustainability

Sedana Medical aims to be a responsible partner to all customers, suppliers, employees, and other stakeholders, as well as an attractive long-term investment for our shareholders. Sedana Medical's Code of Conduct constitutes a framework for what the company considers to be responsible and appropriate conduct to build a long-term sustainable business. During the quarter, our ESG (Environmental, Social, Governance) Committee has continued the work to map Sedana Medical's carbon footprint and provide life-cycle analyses of our main products.

Financial overview

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	41,056	37,288	89,877	75,069	153,867
Gross profit	28,951	26,594	63,720	54,083	108,981
Gross margin %	71%	71%	71%	72%	71%
EBITDA	-13,909	-10,711	-14,872	-21,372	-42,974
EBITDA margin %	-34%	-29%	-17%	-28%	-28%
EBITDA ex-US	-10,758	-10,164	-9,170	-20,311	-40,145
Operating income (EBIT)	-19,060	-16,311	-25,625	-32,608	-65,547
Operating margin %	-46%	-44%	-29%	-43%	-43%
Income after net financial items	-16,979	1,619	3,839	-14,392	-59,019
Net income	-17,213	1,424	3,444	-14,698	-59,612
Net income margin %	-42%	4%	4%	-20%	-39%
Total assets	1,036,640	1,060,486	1,036,640	1,060,486	1,014,056
Equity	972,220	1,011,872	972,220	1,011,872	969,995
Equity ratio %	94%	95%	94%	95%	96%
Quick ratio %	566%	1124%	566%	1124%	968%
Debt to equity ratio %	7%	5%	7%	5%	5%
Average number of full-time employees for the period	75	80	76	80	79
Number of employees at balance date	81	84	81	84	79
Number of employees and consultants at balance date	89	93	89	93	86
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	99,336,960	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	99,336,960	99,336,960
Earnings per share before dilution, SEK	-0.18	0.01	0.03	-0.15	-0.60
Earnings per share after dilution, SEK	-0.18	0.01	0.03	-0.15	-0.60

Group performance

Net sales

Net sales for the quarter amounted to KSEK 41,056 (37,288), corresponding to an increase of 10 percent. Adjusted for currency effects, the quarter showed an increase of 10 percent.

In our main market Germany, sales decreased by 3%, which is mainly due to a reduced number of ventilated patients in June compared to the previous year. In addition, the first and second quarters last year were more even in sales levels, while the second quarter of 2024 showed a seasonal decline, which contributes to the uneven growth rate between the first and second quarters. In our other direct markets, sales increased by 47% and it is primarily Spain and the UK that have shown strong growth. For our distributor markets, sales increased by 30% and the growth was mainly driven by our distributors in Europe.

For the interim period, net sales amounted to KSEK 89,877 (75,069), corresponding to an increase of 20 percent. Adjusted for currency effects, the increase was 19 percent.

(KSEK)	Apr-Jun				Jan-Jun				Jan-Dec
	2024	2023	%	%*	2024	2023	%	%*	2023
Germany	25,437	26,353	-3%	-4%	55,197	51,621	7%	6%	105,620
Other direct sales	12,390	8,450	47%	46%	26,430	17,493	51%	50%	36,548
Distributor markets	3,229	2,484	30%	29%	8,250	5,955	39%	38%	11,698
Total net sales	41,056	37,288	10%	10%	89,877	75,069	20%	19%	153,867

*) at constant exchange rates

Gross profit and margin

The gross profit for the quarter amounted to KSEK 28,951 (26,594), corresponding to a gross margin of 71 (71) percent.

For the interim period, the gross profit amounted to KSEK 63,720 (54,083), corresponding to a gross margin of 71 (72) percent. The decrease mainly relates to product mix effects, such as a proportionately higher share of our pharmaceutical Sedaconda (isoflurane).

Selling expenses

Selling expenses for the quarter amounted to KSEK -26,726 (-27,761). The decrease compared to last year is due to efficiency measures within the distributor organization.

For the interim period selling expenses totalled KSEK -53,075 (-54,452).

Administrative expenses

Administrative expenses for the quarter amounted to KSEK -14,351 (-12,856). The increase compared to the previous year is mainly due to non-recurring costs which for the quarter amounted to approximately KSEK 900.

For the interim period, administrative expenses amounted to KSEK -26,329 (-25,330).

Research and development expenses

Research and development expenses for the quarter amounted to KSEK -4,747 (-4,967), which corresponds to a decrease of 4 percent. The decrease is mainly due to timing effects.

For the interim period, research and development expenses amounted to KSEK -10,017 (-10,063).

Other operating income/expenses

Other operating income and expenses mainly consists of unrealised exchange rate differences on operating items. These totalled KSEK -2,187 (2,679) for the quarter.

For the interim period other operating income and expenses were KSEK 76 (3,154).

Net financial items and earnings per share

Financial net for the quarter totalled KSEK 2,081 (17,929). For the interim period the financial net was KSEK 29,465 (18,216). The amounts consist partly of unrealized exchange rate differences on cash invested in USD but also of received interest on cash and cash equivalents.

Group tax expense for the quarter was KSEK -234 (-195). For the interim period group tax expense was KSEK -395 (-307) and consists mainly of current tax in Germany.

Consequently, earnings per share amounted to SEK -0.18 (0.01) for the quarter and SEK 0.03 (-0.15) for the interim period.

Capitalized development expenditures

Capitalized development expenditures as of June 30 amounted to KSEK 643,057 compared to KSEK 542,705 at the beginning of the year. The amount mainly consists of investments 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 100,352 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 38,467 compared to KSEK 42,975 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 972,220, compared to KSEK 969,995 at the beginning of the year. This corresponds to SEK 9,79 (10.19) per share. Equity/assets ratio was 94 percent, compared to 96 percent at the beginning of the year. Debt/equity ratio on June 30 was 6 percent, compared to 4 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 during the quarter by KSEK -56,687 to KSEK 304,224 at the end of the quarter compared to MSEK 360,911 at the beginning of the quarter.

Cash flow from operating activities before changes in working capital for the quarter was KSEK -11,991 (-19,418). Cash flow from changes in working capital totalled KSEK 13,902 (-16,559) and was mainly affected by payments from customers following high sales in the first quarter but also increased short-term liabilities due to phasing of payments regarding the US clinical program. Cash flow from operating activities thus totalled KSEK 1,911 (-35,977).

Cash flow from investments in intangible assets amounted to KSEK -55,617 (-45,754) and consist mainly of 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). Total cash flow from investing activities for the quarter totalled KSEK -55,799 (-45,822).

Cash flow from financing activities for the quarter totalled KSEK -519 (-1,187) and relates to amortization of lease liabilities.

Currency revaluation differences in cash and cash equivalents amounted to KSEK -2,280 (18,355) during the quarter and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the quarter amounted to SEK 0.55 (-0.84).

During the interim period cash and cash equivalents decreased by KSEK -77,580 and totalled KSEK 304,224 on June 30, compared to KSEK 381,804 at the beginning of the year.

Cash flow from operating activities before changes in working capital for the period was KSEK -14,118 (-29,401). Cash flow from changes in working capital amounted to KSEK 24,400 (-13,554), which during the period was affected mainly by increased short-term liabilities due to phasing of payments regarding the US clinical program but also payments from customers following high sales in the first quarter together with received interest on cash and cash equivalents of MSEK 4.6 related to repaid deposits during the first quarter. Cash flow from operating activities thus totalled KSEK 10,282 (-42,955).

Cash flow from investments in intangible assets amounted to KSEK -107,706 (-85,043) for the interim period and consist mainly of 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). Repaid deposits during the first quarter as well as the previous year's investment in deposits, amounted to KSEK 155,307 and KSEK -306,156 respectively. Total cash flow from investment activities thus amounted to KSEK 47,419 (-391,361)

Cash flow from financing activities for the period totalled KSEK -1,795 (-2,430) and relates to amortization of lease liabilities.

Currency revaluation differences in cash and cash equivalents for the period amounted to KSEK 17,138 (16,017) and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the period was SEK 0.56 (-4.40). Adjusted for repayments and investments in short-term investments, the cash flow per share amounted to SEK -1.00 (-1.31) corresponding to an improvement of SEK 0.31 per share.

Parent company

The Parent Company's net sales for the period totalled KSEK 89,782 (74,989), of which intra-group sales were KSEK 3,989 (3,806).

Operating income for the period totalled KSEK -28,410 (-31,603). Net financial items were KSEK 30,620 (18,730) and relate mainly to unrealised exchange gains on cash balances in foreign currencies, mainly USD, but also interest on the deposit that was repaid during the quarter and received interest on cash and cash equivalents.

Shareholders' equity in the Parent Company totalled KSEK 1,004,752 at June 30 2024, compared to KSEK 1,002,640 at the beginning of the year. This corresponds to an increase of KSEK 2,112. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents stood at KSEK 295,692, compared to KSEK 215,921 at the beginning of the year. Deposits of KSEK 155,307 were repaid during the first quarter.

The Sedana Medical share

Sedana Medical share was listed on Nasdaq First North Growth Market Stockholm in 2017 and is since January 25, 2023 listed on Nasdaq Stockholm. Market capitalisation at the end of the second quarter was MSEK 2,300.

The price paid for Sedana Medical shares was SEK 23.16 at the start of the year and SEK 23.15 at the end of the quarter. The lowest closing price during the interim period was recorded on April 14 and was SEK 14.04. The highest closing price was recorded on June 4 and was SEK 27.25.

Share information

	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net income, KSEK	-17,213	1,424	3,444	-14,698	-59,612
Cash flow, KSEK	-54,407	-82,986	55,906	-436,746	-364,875
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	824,947	1,003,959	824,947	1,003,959	973,399
Average number of warrants	899,173	1,003,959	899,173	1,003,959	988,679
Share capital at balance date, KSEK	2,483	2,483	2,483	2,483	2,483
Equity at balance date, KSEK	972,220	1,011,872	972,220	1,011,872	969,995
Earnings per share before dilution, SEK	-0.18	0.01	0.03	-0.15	-0.60
Earnings per share after dilution, SEK	-0.18	0.01	0.03	-0.15	-0.60
Equity per share, SEK	9.79	10.19	9.79	10.19	9.76
Cash flow per share, SEK	-0.55	-0.84	0.56	-4.40	-3.67

Largest shareholders at the end of the period

	No of shares	Share
Linc AB	10,796,076	10.9%
Anders Walldov direct and indirect (Brohuvudet AB)	10,000,000	10.1%
Swedbank Robur Funds	8,919,013	9.0%
Öhman Funds	6,978,325	7.0%
Handelsbanken Funds	5,548,598	5.6%
Ola Magnusson direct and indirect (Magiola AB)	4,312,098	4.3%
Sten Gibeck	4,196,597	4.2%
Premier Miton Investors	3,685,911	3.7%
Highclere International Investors LLP	3,380,773	3.4%
AMF Pension	2,491,000	2.5%
Amundi	1,708,952	1.7%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Avanza Pension	1,463,585	1.5%
AXA Investment Managers	1,190,132	1.2%
Berenberg Funds	1,150,411	1.2%
Fifteen largest shareholders	67,487,935	67.9%
Others	31,849,025	32.1%
Total	99,336,960	100.0%

Facts about the share

Trading	Nasdaq Stockholm
No of shares as per Jun 30, 2024	99 336 960
Market cap as per Jun 30, 2024	SEK 2,300 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 July 23, 2024

Claus Bjerre
Chairman of the Board

Hilde Furberg
Board member

Donna Haire
Board member

Jens Viebke
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. The 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

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Presentation of the interim report

Sedana Medical presents the interim report to investors, asset managers, analysts and media on July 23 2024 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://www.finwire.tv/webcast/sedana-medical/q2-2024/>

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

Financial calendar

Interim Report Q3 2024 24 October 2024

Consolidated income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	41,056	37,288	89,877	75,069	153,867
Cost of goods sold	-12,105	-10,693	-26,157	-20,985	-44,886
Gross profit	28,951	26,594	63,720	54,083	108,981
Selling expenses	-26,726	-27,761	-53,075	-54,452	-107,239
Administrative expenses	-14,351	-12,856	-26,329	-25,330	-47,504
Research and development expenses	-4,747	-4,967	-10,017	-10,063	-20,805
Other operating income/expenses	-2,187	2,679	76	3,154	1,020
Operating income	-19,060	-16,311	-25,625	-32,608	-65,547
Net financial items	2,081	17,929	29,465	18,216	6,529
Income before taxes	-16,979	1,619	3,839	-14,392	-59,019
Income tax	-234	-195	-395	-307	-593
Net income	-17,213	1,424	3,444	-14,698	-59,612
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:					
Before dilution	-0.18	0.01	0.03	-0.15	-0.60
After dilution	-0.18	0.01	0.03	-0.15	-0.60
Operating income (EBIT)	-19,060	-16,311	-25,625	-32,608	-65,547
Whereof amortisation of intangible assets	-3,964	-3,863	-7,924	-7,721	-15,452
Whereof depreciation of tangible assets	-1,187	-1,737	-2,830	-3,515	-7,122
EBITDA	-13,909	-10,711	-14,872	-21,372	-42,974

Consolidated statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net income	-17,213	1,424	3,444	-14,698	-59,612
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	891	-1,982	-1,219	-2,586	451
Other comprehensive income, net after tax	891	-1,982	-1,219	-2,586	451
Total comprehensive income	-16,322	-558	2,225	-17,285	-59,161
Total comprehensive income as a whole attributable to the parent company's shareholders	-16,322	-558	2,225	-17,285	-59,161

Consolidated balance sheet, summary

(KSEK)	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
ASSETS			
Intangible assets			
Capitalised development expenditure	643,057	469,130	542,705
Concessions, patents, licenses, etc.	3,542	3,379	3,326
Tangible assets			
Machinery and other technical facilities	720	867	864
Equipment, tools and installations	1,949	3,490	2,551
Rights of use	8,302	7,350	4,912
Financial assets			
Other long-term assets	47	48	45
Deferred tax assets			
	23	30	31
Total fixed assets	657,639	484,294	554,435
Inventory	38,467	45,646	42,975
Tax receivables	3,140	723	739
Accounts receivable	16,362	14,818	24,180
Prepayments and accrued income	13,037	9,290	4,701
Other receivables	3,773	1,683	5,223
Short-term investments	-	317,018	150,624
Cash and cash equivalents	304,224	187,013	231,180
Total current assets	379,001	576,192	459,621
TOTAL ASSETS	1,036,640	1,060,486	1,014,056
(KSEK)			
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	2,483	2,483	2,483
Other contributed capital	1,226,436	1,226,436	1,226,436
Translation difference	-3,419	-5,236	-2,199
Retained earnings including net profit	-253,280	-211,811	-256,724
Equity attributable to the parent company's shareholders	972,220	1,011,872	969,995
Non-current liabilities			
Leasing liabilities	4,220	1,430	1,012
Deferred tax liabilities	6	-	7
Total non-current liabilities	4,226	1,430	1,020
Current liabilities			
Leasing liabilities	3,680	5,340	3,294
Accounts payable	15,105	8,758	5,292
Tax debt	3,399	1,349	1,276
Other liabilities	5,541	5,623	8,347
Accrued expenses and deferred income	32,470	26,114	24,832
Total current liabilities	60,194	47,184	43,041
Total liabilities	64,420	48,614	44,061
TOTAL EQUITY AND LIABILITIES	1,036,640	1,060,486	1,014,056

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, 2023	2,483	1,226,436	-2,650	-197,113	1,029,156
Net income	-	-	-	-14,698	-14,698
Other comprehensive income	-	-	-2,586	-	-2,586
Total comprehensive income	-	-	-2,586	-14,698	-17,285
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

(KSEK)	Share capital	Other contributed capital	Translation difference	Retained earnings incl net income	Total
Opening equity at Jan 1, 2024	2,483	1,226,436	-2,199	-256,724	969,996
Net income	-	-	-	3,444	3,444
Other comprehensive income	-	-	-1,219	-	-1,219
Total comprehensive income	-	-	-1,219	3,444	2,225
Transactions with the Group's owners					
Total transactions with the Group's owners	-	-	-	-	-
Closing equity at Jun 30, 2024	2,483	1,226,436	-3,419	-253,280	972,220

Consolidated cash flow statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Operating activities					
Operating income	-19,060	-16,311	-25,625	-32,608	-65,547
<i>Adjustments for non-cash items</i>					
Depreciations and amortisations	5,151	5,599	10,753	11,236	22,573
Exchange rate differences	1,192	-9,097	-5,080	-8,963	8,900
Other non-cash items	1,000	623	1,659	1,334	2,552
Interest received	16	15	4,656	15	15,168
Interest paid	-59	-55	-92	-110	-215
Taxes paid	-232	-193	-389	-305	-564
Cash flow from operating activities before changes in working capital	-11,991	-19,418	-14,118	-29,401	-17,132
<i>Cash flow from changes in working capital</i>					
Cash flow from inventories	1,126	-7,378	4,508	-8,249	-6,738
Cash flow from operating receivables	7,323	-6,347	3,582	-1,657	-6,253
Cash flow from operating liabilities	5,453	-2,834	16,311	-3,648	-7,937
Cash flow from operating activities	1,911	-35,977	10,282	-42,955	-38,061
Investing activities					
Investments in intangible assets	-55,617	-45,754	-107,706	-85,043	-168,373
Investments in tangible assets	-182	-68	-182	-162	-515
Repaid short-term deposits	-	-	155,307	-	312,348
Investments in short-term deposits	-	-	-	-306,156	-465,417
Cash flow from investing activities	-55,799	-45,822	47,419	-391,361	-321,957
Financing activities					
New share issue	-	-	-	-	-
Issue expenses	-	-	-	-	-
Amortisation of leasing liabilities	-519	-1,187	-1,795	-2,430	-4,857
Received premium for warrant subscription	-	-	-	-	-
Costs related to warrant programme	-	-	-	-	-
Repurchase of warrants	-	-	-	-	-
Cash flow from financing activities	-519	-1,187	-1,795	-2,430	-4,857
Cash flow for the period	-54,407	-82,986	55,906	-436,746	-364,875
Cash and cash equivalents at the beginning of the period	360,911	251,643	231,180	607,742	607,742
Currency revaluation difference	-2,280	18,355	17,138	16,017	-11,687
Cash and cash equivalents at the end of the period	304,224	187,013	304,224	187,013	231,180

Parent company income statement, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	41,021	37,253	89,782	74,989	153,767
Cost of goods sold	-11,675	-10,204	-25,309	-20,037	-43,115
Gross profit	29,346	27,049	64,473	54,952	110,652
Selling expenses	-13,756	-16,343	-28,351	-33,211	-62,200
Administration costs	-33,722	-27,080	-60,121	-51,777	-101,608
Research and development costs	-4,128	-4,379	-8,833	-8,725	-18,137
Other operating income/expenses	-2,992	2,959	4,423	7,158	14,009
Operating income	-25,251	-17,793	-28,410	-31,603	-57,283
Net financial items	2,508	17,821	30,620	18,730	9,518
Income after net financial items	-22,744	27	2,211	-12,873	-47,766
Group contribution	-	-	-	-	11
Income before tax	-22,744	27	2,211	-12,873	-47,754
Income tax	-	-	-	-	-
Net income	-22,744	27	2,211	-12,873	-47,754

Parent company statement of other comprehensive income, summary

(KSEK)	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net income	-22,744	27	2,211	-12,873	-47,754
Other comprehensive income					
Items that can later be reclassified to the income statement:					
Translation differences from foreign operations	55	-217	-99	-282	-17
	55	-217	-99	-282	-17
Other comprehensive income, net after tax					
Total comprehensive income	-22,689	-190	2,112	-13,155	-47,771

Parent company balance sheet, summary

(KSEK)	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
ASSETS			
Intangible assets			
Capitalised development expenditure	610,585	439,294	512,707
Tangible assets			
Machinery and other technical facilities	699	784	819
Equipment, tools and installations	1,816	3,172	2,345
Financial assets			
Other long-term assets	404	404	404
Non-current receivables, group companies	38,798	37,167	36,874
Total fixed assets	652,301	480,821	553,148
Inventory	38,467	45,646	42,975
Tax receivables	3,102	6	125
Accounts receivable	14,616	12,267	21,807
Receivables, group companies	59,496	53,558	60,603
Prepayments and accrued income	12,604	9,067	4,451
Other receivables	2,568	842	4,235
Short-term investments	-	317,018	150,624
Cash and cash equivalents	295,692	173,689	215,921
Total current assets	426,545	612,093	500,740
TOTAL ASSETS	1,078,846	1,092,914	1,053,888
(KSEK)			
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	2,483	2,483	2,483
Fund for capitalised development expenses	604,196	431,331	505,854
<i>Non-restricted equity</i>			
Share premium fund	1,226,435	1,226,435	1,226,435
Retained earnings	-830,573	-610,120	-684,378
Net income	2,211	-12,873	-47,754
Equity attributable to the parent company's shareholders	1,004,752	1,037,256	1,002,640
Current liabilities			
Accounts payable	15,065	8,475	4,577
Liabilities to group companies	23,078	21,481	18,170
Tax debt	2,875	1,105	1,066
Other liabilities	3,964	3,855	6,869
Accrued expenses and deferred income	29,113	20,741	20,566
Total current liabilities	74,094	55,657	51,248
Total liabilities	74,094	55,657	51,248
TOTAL EQUITY AND LIABILITIES	1,078,846	1,092,914	1,053,888

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 Svärdvägen 3A, SE-182 33 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 2023 Annual Report of Sedana Medical. None of the other published standards and interpretations that are mandatory for the Group for the financial year 2024 are deemed to have any significant impact on the Group's financial reports.

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 2023 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 22 and <https://sedanamedical.com/investors/financial-reports-presentations/>

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 2023 Annual Report on pages 32-34.

Personnel

During the interim period, the Group had an average of 76 (80) full time employees and 5 (7) full time consultants, representing a decrease of 6 on the same period in 2023. In terms of total headcount (i.e. regardless of full-time or part-time positions), the total number of employees was 81 and the total number of consultants was 8 at the end of the quarter, compared to 84 and 9 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 amounted to KSEK 267 which was fully repaid beginning of July. 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, KSEK 360 regarding this agreement has been settled. The agreement ended during the second quarter of 2024.

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 2023, page 50-51.

Warrant programme

At the end of the period Sedana Medical had 824,947 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)
2020/2024	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	256,806	-	-25,200	-	231,606		
Total	Other employees	221,593	-	-123,252	-	98,341		
	Total	973,399	-	-148,452	-	824,947		

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

EBITDA ex-US

Operating income (EBIT) less depreciation and write-downs as well as operating expenses attributable to the company's US business

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