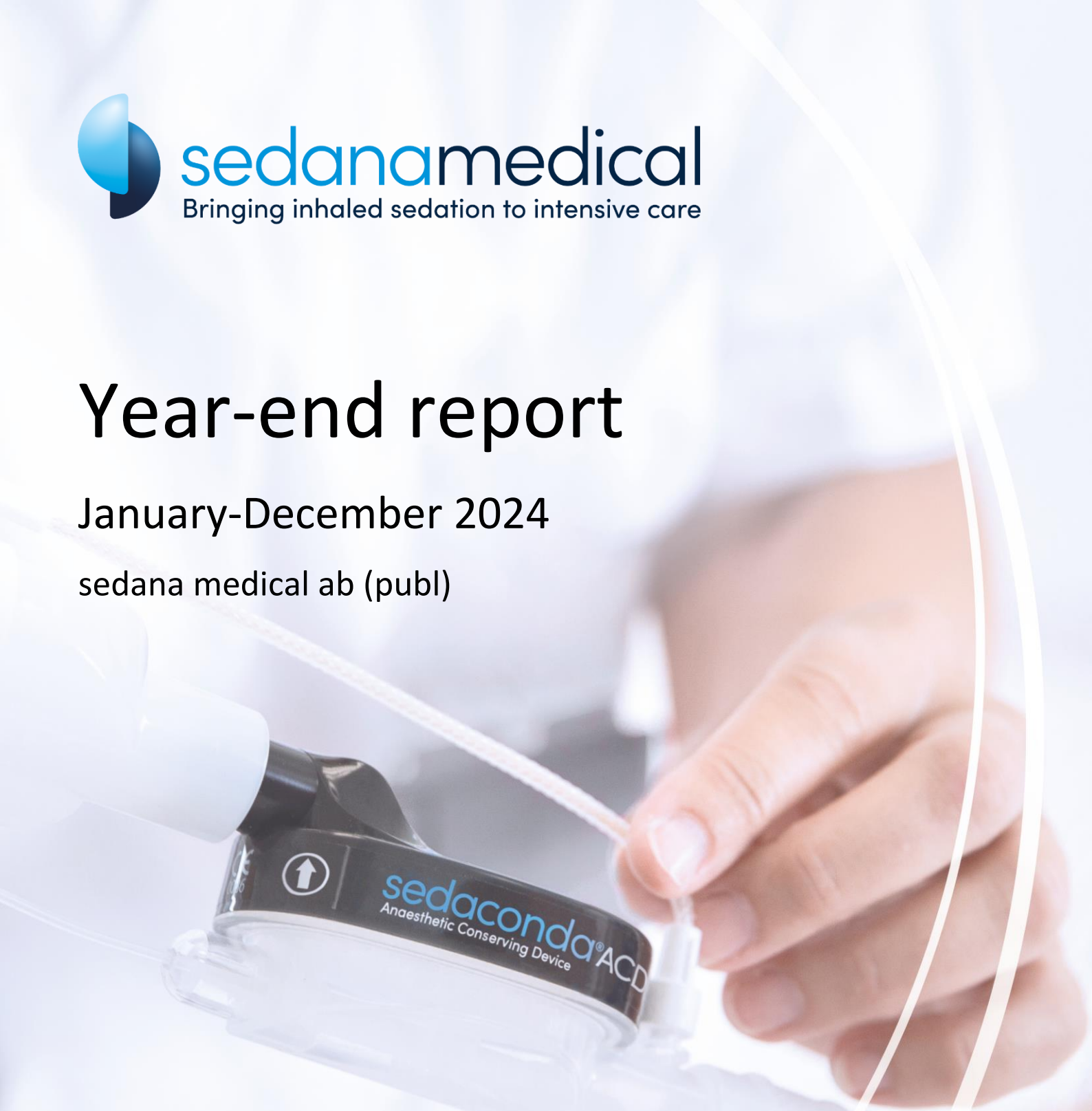
sedanamedical
Bringing inhaled sedation to intensive care

Year-end report

January-December 2024

sedana medical ab (publ)



” Primary endpoint met in both US trials and positive ex-US EBITDA excl. one-offs in Q4”

Johannes Doll, President & CEO

Q1 Q2 Q3 **Q4**

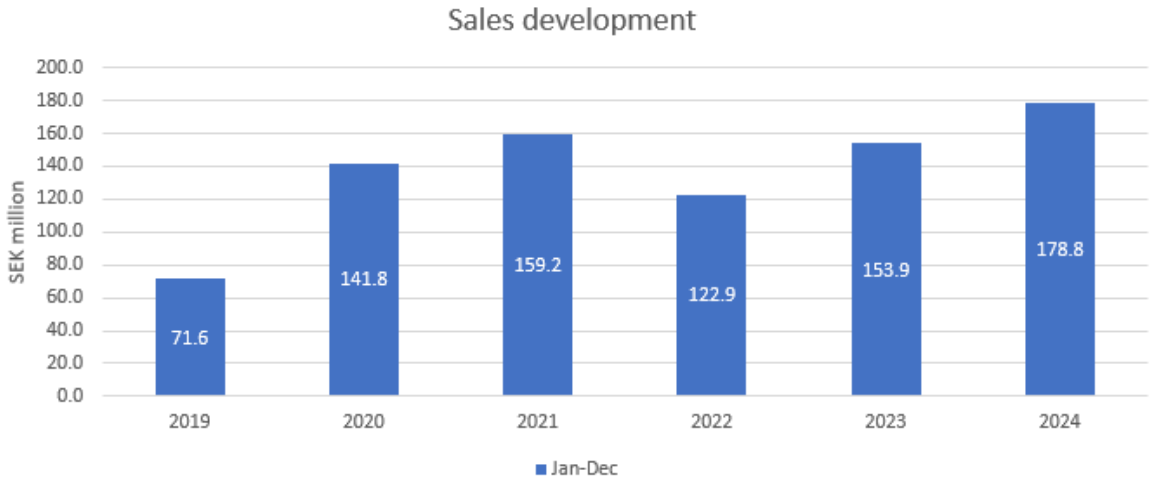
Financial summary

Fourth quarter 2024

- Net sales for the quarter totalled MSEK 49.2 (44.5), equivalent to an increase of 10% compared to the same quarter 2023. At constant exchange rates, sales increased by 10%.
- Gross profit was MSEK 34.2 (31.0) equivalent to a margin of 69% (70%). Excluding the contract manufacturing revenue from Innovatif Cekal, the gross margin was 70%.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -5.3 (-9.1), equivalent to an EBITDA margin of -11% (-20%). EBITDA ex-US for the quarter was MSEK -1.0 (-7.6) corresponding to a margin of -2% (-17%). Correcting for one-off costs of MSEK 1.2 related to the acquisition of Innovatif Cekal and pricing and reimbursement consultants in connection with our pediatric approval, EBITDA ex-US was MSEK 0.2.
- Operating income (EBIT) totalled MSEK -10.8 (-14.8), equivalent to an EBIT margin of -22% (-33%).
- Net income for the quarter was MSEK 8.5 (-38.1) and earnings per share before and after dilution was SEK 0.09 (-0.38). The increase is due to higher operating result, which has increased by MSEK 4.0 and improved financial net which has increased by MSEK 42.6. The financial net consists of unrealized exchange rate effects on cash placed in USD of MSEK 16.9 (-24.9) and interest income on cash and cash equivalents of MSEK 2.6 (1.9)
- Cash and short-term deposits at the end of the quarter totalled MSEK 194.0 compared to MSEK 226.4 at the beginning of the quarter.
- Cash flow from operating activities totalled MSEK 7.3 (8.8). The cash flow has been affected by received interest of MSEK 11.8 (8.9).
- Cash flow from investments in intangible assets, mostly driven by our US clinical program, totalled MSEK -28.8 (-41.5). Net cash flow from acquisition of Innovatif Cekal amounted to MSEK -25.0 (0.0). Total cash flow from investment activities totalled MSEK -55.1 (-41.8).
- Total cash flow for the quarter was MSEK -48.6 (-34.3).

January-December 2024

- Net sales totalled MSEK 178.8 (153.9), equivalent to an increase of 16% compared to 2023. At constant exchange rates, sales increased by 17%.
- Gross profit was MSEK 126.1 (109.0), equivalent to a margin of 71% (71%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled MSEK -29.2 (-43.0), equivalent to an EBITDA margin of -16% (-28%). EBITDA ex-US for the year was MSEK -15.5 (-40.1) corresponding to a margin of -9% (-26%).
- Operating income (EBIT) totalled MSEK -50.8 (-65.5), equivalent to an EBIT margin of -28% (-43%).
- Net income for the year was MSEK -10.7 (-59.6) and earnings per share before and after dilution was SEK -0.11 (-0.60). The improvement in net income is mainly due to higher gross profit, which has increased by MSEK 17.2 and improved financial net which has increased by MSEK 34.3.Financial net consists of unrealized exchange rate effects on cash placed in USD of MSEK 24.5 (-8.4) and interest income on cash and cash equivalents of MSEK 16.3 (15.0).
- Cash and short-term deposits amounted to MSEK 194.0 at the end of the period compared to MSEK 381.8 at the beginning of the year.
- Cash flow from operating activities totalled MSEK -11.8 (-38.1). The improved cash flow from operating activities is mainly due to increased operating result and positive cash flow from changes in working capital due to lower inventory and lower receivables, compared to 2023 when the cash flow from these items was negative.
- Cash flow from investments in intangible assets mostly driven by our US clinical program totalled MSEK -172.8 (-168.4). Net cash flow from acquisition of Innovatif Cekal amounted to MSEK -25.0 (0.0). Total cash flow from investment activities including short term deposits totalled MSEK -44.7 (-322.0).
- Total cash flow for the year was MSEK -60.0 (-364.9) and adjusted for short term deposits MSEK -215.3 (-211.8).



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

Primary endpoint met in both US trials and positive ex-US EBITDA excl. one-offs in Q4

Sedana Medical had a successful 2024, in which we achieved our goals across our three main priorities:

- **We are excited about positive high-level results for both of our pivotal clinical trials in the United States.**
- **With 17% year-over-year growth, we reached an all-time high in sales, surpassing the exceptional COVID-19 years, and met our raised guidance.**
- **We delivered a positive EBITDA for our ex-US business in both Q1 and Q4, after adjusting for one-off cost.**

Positive US Clinical Trial Results

We have reached a fantastic milestone on our journey to the US market: both of our pivotal clinical trials have met their primary endpoint, confirming that inhaled sedation with isoflurane is non-inferior to IV sedation with propofol. Additionally, the safety profile was in line with expectations based on previous studies and extensive European ICU experience. These high-level results are crucial for the FDA's assessment of our therapy. We will maintain close communication with the agency and keep you updated on our progress.

Further results from secondary endpoints, the long-term follow-up, and pooling analyses including the European study, will inform the FDA's decision regarding the label and what claims we will be able to make after commercial launch. Those results will be communicated once they are published.

A new all-time-high in sales

Net sales for 2024 reached 179 MSEK, marking 17% growth year-over-year and aligning with our increased guidance. While Q4 growth was softer at 10%, it was still our best Q4 to date, with 49 MSEK in net sales.

Once again, our direct markets outside Germany ("other direct markets") outperformed, growing 45% in Q4 and 48% for the full year. Our strategic focus on Spain, the UK, and France continues to drive results: Spain has been the leading growth engine throughout the year, thanks to a focused strategy of establishing inhaled sedation as a mainstay therapy and disciplined execution. To support this momentum, we have expanded the local team. Also the demand in the UK surged following MHRA approval at the end of 2023, prompting us to strengthen our commercial team in 2025. France rebounded in Q4 after a flat first three quarters, following a restructuring of the team and sales territories. With this strong performance, our other direct markets now contribute nearly one-third of our total revenue, demonstrating the success of our strategy to reduce reliance on Germany.

Our main market, Germany, grew 5% in 2024, though Q4 sales remained flat. This was mainly due to reduced field presence following staff changes and temporary vacancies in the field force. While quarter-to-quarter fluctuations in growth rates are normal and expected, the full-year growth of 5% was below expectations, and we are implementing a sales acceleration plan in response. We estimate that our market penetration in German ICUs in 2024 was approximately 13%. Since our best performing sales territories have achieved penetration levels in excess of 20% and continue to grow, we see significant opportunities for further growth.

Meanwhile, our distributor markets, the smallest part of our business, declined 28% in Q4, but still delivered 15% growth for the full year. While this business is inherently volatile due to irregular purchasing patterns and higher inventory levels, it is notable that it achieved full-year growth for the first time since 2021.

We also received positive news on the regulatory front, as authorities in all involved countries decided that the paediatric indication of Sedaconda (isoflurane) can be approved in Europe. This means that our inhaled sedation products can be used in children in the age between 3 and 17 years. Since the news of the decision, we have received national approvals in 9 countries, including our main market Germany.

Following the paediatric approval, CMDh (Coordination Group for Mutual Recognition and Decentralized Procedures – human) has granted an additional extension of the market protection of one year (to 2032). In their argumentation, the authorities have stated that Sedaconda (isoflurane) – in the extended indication of pediatric patients from 3-17 years of age – brings a significant clinical benefit over existing therapies based on an improved safety and major contribution to patient care.

Further Progress Toward Profitability

We remain focused on building a long-term profitable company, starting with achieving ex-US profitability to generate positive cash flow and establish a strong platform for a future US launch.

In Q4, ex-US EBITDA was -1.0 MSEK, but after adjusting for one-off costs (1.2 MSEK related to legal fees in connection with our acquisition of Innovatif Cekal and cost for the pricing and reimbursement dossier in Germany for the newly approved paediatric indication), the core business was profitable – despite the soft sales growth during the quarter. For the full year,

ex-US EBITDA improved significantly from -40 MSEK in 2023 to -15 MSEK in 2024. This progress is a direct result of our decisive actions to streamline non-customer-facing functions and prioritize commercial execution.

Our financial resilience will be further strengthened with the acquisition of our main supplier, Innovatif Cekal, which we completed end of November. Once we deplete our existing stock, this deal is expected to boost our bottom line by two percentage points, further enhancing long-term profitability.

2025: An Exciting Year for Sedana Medical

As we close 2024, Sedana Medical stands as a stronger company than when we started the year. With record sales, an ex-US business moving toward profitability, and positive US clinical trial results, we have laid the foundation for a successful 2025. Our two top priorities for this year are to deliver a positive ex-US EBITDA for the full year, driven by strong focus on commercial execution in our core markets and continued cost discipline, and to prepare for a high-quality NDA for submission in 2026, paving the way for US market entry.

I look forward to what will be an exciting year in Sedana Medical's history and thank you for your continued support.

Johannes Doll, President and 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.

Third quarter

- 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.

Fourth quarter

- In October, Sedana Medical took the decision to integrate our European trial into the US submission, strengthening the file, and shifting submission timeline by approximately one year.
- In November, Sedana Medical announced the completion of the acquisition of Innovatif Cekal.
- In December, company received a positive decision from the authorities in all involved countries that the pediatric indication of Sedaconda (isoflurane) is approvable in Europe. This marks the final step before 13 European countries can grant national marketing authorizations.
- Also in December, Sedana Medical announced that its first pivotal US trial INSPiRE-ICU 1 has met its primary endpoint: to prove that inhaled sedation with isoflurane is an effective sedation method by establishing non-inferiority compared with intravenous sedation using propofol. The safety results were in line with expectations.

Significant events after the period

- In February, Sedaconda® (isoflurane) received an additional year of market protection, extending the protection period until 2032.
- Also in February, Sedana Medical announced that its second pivotal US trial INSPiRE-ICU 2 has also met its primary endpoint.
- To date, 9 countries, including the company's main market Germany, have granted national approvals for the paediatric indication of Sedaconda (isoflurane).

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 15 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 sedation[1]. 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 year[2]. 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 global 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 13% 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.

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

[2] Based on externally performed market opportunity study

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, for the full year 2025, 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%.

Financial guidance

For the full year 2025, we aim to achieve low-to-mid single digit positive EBITDA margin in our ex-US business by sustaining our growth trajectory and maintaining strict cost discipline.

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 expanded our sales teams in Germany and Spain during 2024, and we have recruited another Key Account Manager to join our UK team in 2025. Reversely, we have reduced or delayed further investments in lower-potential geographies. 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 continued during 2024. We report net sales growth of 10% in Q4, and 17% for the full year 2024, excluding currency effects. In reported currency, sales grew 10% in Q4 and 16% in the full year.

The growth rate was lower in Q4 compared to Q3. In our main market Germany, sales declined 1% relative to last year in local currency, compared with an increase of 9% in Q3. The full year growth rate in Germany was 5% in both local and reported currency, which was below our expectations. The main drivers was an unusually low number of intubated patients in June and reduced field presence following staff changes and temporary vacancies in the field force in the 2nd half of the year. In response, we are implementing a sales acceleration plan in Germany. We have ample evidence that we can expand our overall penetration rate in Germany substantially from the current level of approximately 13%, based on the performance in our top sales territories and hospital accounts.

In our other direct markets (Spain, France, UK, Nordics and Benelux) sales grew by 45% during the quarter in local currency (46% in reported currency). For the full year 2024, our other direct markets grew 48% in both local and reported currency. Among these markets, Spain and UK are the top performers in terms of growth rate. In Spain, we benefitted from pricing and reimbursement approval received in late 2023, and in the UK we benefitted from regulatory approval from MHRA, also received in late 2023.

In our distributor markets, sales declined 28% in Q4, but increased 15% for the full year, in both local and reported currencies. Quarter-on-quarter fluctuations are to be expected from these customers, but this means our distributor markets returned to growth on a full-year basis for the first time since 2021. The return to growth is driven by our strategy of focusing on prioritized distributor partners, and further supported by a large order placed by our main South American distributor in Q1 2024, after a period of de-stocking since the pandemic years.

Following the completion of the acquisition of our Malaysian supplier Innovatif Cekal at the end of November 2024, we now also report contract manufacturing revenue of 0,8 MSEK in December.

Regulatory and pricing/reimbursement approvals in Europe

Sedaconda (isoflurane) has received regulatory approvals by the national authorities in all 15 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, 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 have contributed positively to our sales during 2024. Also in 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.

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. In December 2024 we received a positive decision from the authorities in all involved countries that the pediatric indication is approvable in Europe. This marks the final step before 13 countries can grant national marketing authorizations. The submission was based on the results of the IsoCOMFORT trial, a randomized active-controlled assessor-blinded study comparing the efficacy and safety of sedation with inhaled isoflurane, administered via the company's medical device Sedaconda ACD-S, with intravenous midazolam in mechanically ventilated patients 3-17 years old.

Based on the regulatory assessment that the paediatric extension of the Sedaconda indication brings a significant clinical benefit over existing therapies, Sedaconda (isoflurane) received, in February 2025, an additional year of market protection, extending the protection period until 2032. During the protection period, no generic product can be launched for sedation of mechanically ventilated patients in the ICU.

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. 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.

Sedana Medical's US clinical program INSPiRE-ICU, aiming at obtaining market approval for inhaled sedation in the ICU, completed patient recruitment for the two pivotal INSPiRE-ICU 1 and 2 clinical trials in Q2 2024. 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.

In December 2024, the company announced that INSPiRE-ICU 1 had met its primary endpoint: to prove that inhaled sedation with isoflurane is an effective sedation method by establishing non-inferiority compared with intravenous sedation using propofol. The safety results were in line with expectations (no unexpected safety concerns arose during the study). In February 2025, equally positive results were announced for the second trial, INSPiRE-ICU 2.

We are pursuing a strategy of derisking our submission by seeking frequent interactions with the U.S. Food and Drug Administration (FDA) and creating alignment on important aspects of the file before we submit. Recent FDA interaction has resulted in an opportunity for us to include our successful European study SED-001 in the US submission. This constitutes an opportunity for us to further enhance the US submission, but it also affects both the US timeline and costs. We have conducted a feasibility study that confirms the technical viability of the pooling analysis, including the European studies, enabling us to proceed with its implementation to support the clinical data for the regulatory submission.

In early 2023, the FDA granted our clinical program Fast Track Designation. 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 (i.e. priority review) will apply to Sedaconda, which might have a positive effect on overall communicated timelines.

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 focus has shifted to preparing our dossier for NDA submission, our US activities are simultaneously becoming more commercial. During the summer of 2024 we

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 194 in cash at the end of 2024.

Cost management and resource allocation

We report a gross margin of 69% in Q4 2024, compared with 71% in Q3 2024, and 70% in Q4 2023. Excluding the contract manufacturing revenue from Innovatif Cekal (lower gross margin), the gross margin in Q4 2024 was 70%. For the full year 2024, we report a gross margin of 71%, which is in line with 2023. 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 expect the integration of Innovatif Cekal to have a positive effect on our gross margin over time after we have sold our existing inventory, starting during the second half of 2025.

We report operating expenses of MSEK 45 in Q4 2024, which is up from MSEK 44 in Q4 2023, driven by one-off costs of 1,2 MSEK related to legal fees in connection with our acquisition of Innovatif Cekal and pricing and reimbursement consultants related to our pediatric approval.

We report Group EBITDA for the quarter of MSEK -5 compared to MSEK -9 in the same quarter last year. Ex-US EBITDA for the quarter was MSEK -1, compared with MSEK -8 in the same quarter last year. Adjusting for the one-off costs mentioned above we see that underlying ex-US EBITDA is positive in Q4.

We reported positive ex-US EBITDA also in Q1 2024, helped by a positive currency effect, and being able to do the same now in Q4 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. We remain focused on profitable growth opportunities and making sure we manage our resources in a prudent way, to launch in the US backed by a solid foundation in Europe.

Acquisition of Innovatif Cekal

In late November we announced the completion of the acquisition of Innovatif Cekal, the supplier of our main product (Sedaconda ACD), which 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 Cekal (IC) is a manufacturer of medical devices based in Klang near Kuala Lumpur, Malaysia. IC had 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.

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 sold, 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. This is after accounting for anticipated contract manufacturing revenue at lower gross margins.

The full purchase price for IC is 34 MSEK on a cash and debt free basis, subject to adjustments for working capital. 75% of the purchase price was 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.

The acquisition is expected to have a net positive impact on our cash flow from operations from 2025 and a net positive impact on our 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.

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 Q4, our ESG (Environmental, Social, Governance) Committee continued the work to map Sedana Medical's carbon footprint and provide life-cycle analyses of our main products, and we look forward to provide more information in our Annual Report for 2024.

Financial overview

	Oct-Dec		Jan-Dec	
(KSEK)	2024	2023	2024	2023
Net sales	49,156	44,544	178,754	153,867
Gross profit	34,156	30,960	126,142	108,981
Gross margin %	69%	70%	71%	71%
EBITDA	-5,292	-9,051	-29,171	-42,974
EBITDA margin %	-11%	-20%	-16%	-28%
EBITDA ex-US	-1,004	-7,647	-15,451	-40,145
Operating income (EBIT)	-10,836	-14,850	-50,767	-65,547
Operating margin %	-22%	-33%	-28%	-43%
Income after net financial items	8,692	-37,887	-9,948	-59,019
Net income	8,498	-38,071	-10,674	-59,612
Net income margin %	17%	-85%	-6%	-39%
Total assets	1,019,432	1,014,056	1,019,432	1,014,056
Equity	958,264	969,995	958,264	969,995
Equity ratio %	94%	96%	94%	96%
Quick ratio %	450%	968%	450%	968%
Debt to equity ratio %	6%	4%	6%	4%
Average number of full-time employees for the period	80	77	83	79
Number of employees at balance date	109	79	109	79
Number of employees and consultants at balance date	125	86	125	86
Average number of shares before dilution	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
Number of shares at balance date before dilution	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
Earnings per share before dilution, SEK	0.09	-0.38	-0.11	-0.60
Earnings per share after dilution, SEK	0.09	-0.38	-0.11	-0.60

Group performance

Net sales

Net sales for the quarter amounted to KSEK 49,156 (44,544), corresponding to an increase of 10 percent. Adjusted for currency effects, the quarter showed an increase of 10 percent.

Other direct markets in Europe contributed the most to the increase in absolute terms, with a growth of 46% (45% at constant exchange rates) compared to the same quarter last year. For our main market, Germany, sales were unchanged (-1% at constant exchange rates), and sales in distributor markets decreased by -28% (-28% at constant exchange rates). Among our other direct markets, Spain and the United Kingdom primarily contributed to the increase.

For the full year, net sales amounted to KSEK 178,754 (KSEK 153,867), which corresponds to an increase of 16%. Adjusted for currency effects, the increase was 17%.

	Oct-Dec				Jan-Dec			
(KSEK)	2024	2023	%	%*	2024	2023	%	%*
Germany	29,662	29,803	0%	-1%	110,459	105,620	5%	5%
Other direct sales	16,015	11,002	46%	45%	54,077	36,548	48%	48%
Distributor markets	2,686	3,739	-28%	-28%	13,425	11,698	15%	15%
Contract manufacturing	793	-	n/a	n/a	793	-	n/a	n/a
Total net sales	**49,156**	**44,544**	**10%**	**10%**	**178,754**	**153,867**	**16%**	**17%**

**) at constant exchange rates*

Gross profit and margin

The gross profit for the quarter amounted to KSEK 34,156 (30,960), corresponding to a gross margin of 69 (70) percent. The decrease during the quarter mainly relates to product mix effects and the contract manufacturing revenue from Innovatif Cekal.

For the full year, the gross profit amounted to KSEK 126,142 (108,981), corresponding to a gross margin of 71 (71) percent.

Selling expenses
Selling expenses for the quarter amounted to KSEK -28,164 (-28,019). For the full year, selling expenses amounted to KSEK -104,796 (-107,239). The underlying decrease during the full year compared to the previous year is mainly due to efficiencies within the distributor organization, sales, and marketing.

Administrative expenses
Administrative expenses for the quarter amounted to KSEK -11,752 (-10,729).

For the full year, administrative expenses amounted to KSEK -51,799 (KSEK -47,504). The increase compared to the previous year is due to one-time costs associated with the acquisition of Innovatif Cekal and increased costs for consultants and other external services.

Research and development expenses
Research and development expenses for the quarter amounted to KSEK -4,800 (-5,678). For the full year, research and development expenses amounted to KSEK -20,294 (-20,805). For both periods, the decrease is due to lower costs for external services.

Other operating income/expenses
Other operating income and expenses mainly consists of unrealized exchange rate differences on operating items. These totaled KSEK -277 (-1,385) for the quarter.

For the full year other operating income and expenses were KSEK -19 (1,020).

Net financial items and earnings per share
Financial net for the quarter totaled KSEK 19,528 (-23,038). For the full year, the financial net was KSEK 40,819 (6,529). The amounts consist of unrealized currency effects on cash placed in USD during the quarter KSEK 16,886 (-24,901) and for the full year KSEK 24,511 (-8,425), as well as interest on cash during the quarter KSEK 2,642 (1,863) and for the full year KSEK 16,309 (14,953).

The Group's tax expense for the quarter amounted to KSEK -194 (-184). For the full year, the tax expense was KSEK -726 (-593), and consists mainly of tax in Germany.

Consequently, earnings per share amounted to SEK 0.09 (-0.38) for the quarter and SEK -0.11 (-0.60) for the full year.

Capitalised development expenditures

Capitalised development expenditures as of December 31 amounted to KSEK 700,339 compared to KSEK 542,705 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 157,633 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 December 31, inventory amounted to KSEK 45,560 compared to KSEK 42,975 at the beginning of the year. The inventory mainly consists of finished goods and trade goods. The increase is attributable to the acquisition of Innovatif Cekal.

Equity and debt

Equity on December 31, 2024 was 958 264 KSEK, compared to KSEK 969,995 at the beginning of the year. This corresponds to SEK 9.65 (9.76) per share. Equity/assets ratio was 94 percent, compared to 96 percent at the beginning of the year. Debt/equity ratio on December 31 was 6 percent, compared to 4 percent at the beginning of the year.

Cash, cash position and short-term deposits

Cash and cash equivalents decreased by KSEK -32,435 during the quarter and totalled KSEK 193,960 on December 31, compared to KSEK 226,394 at the beginning of the quarter.

Cash flow from operating activities before changes in working capital amounted to KSEK 6,345 (14,053) for the quarter. Cash flow from changes in working capital amounted to KSEK 937 (-5,275). Consequently, the cash flow from operating activities amounted to KSEK 7,282 (8,777).

Cash flow from investments in intangible assets for the quarter totalled KSEK -28,750 (-41,490). 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. Investments in subsidiaries amounted to KSEK -24,976 (0). Total cash flow from investing activities for the quarter amounted to KSEK -55,075 (-41,843).

Cash flow from financing activities for the quarter amounted to KSEK -812 (-1,223) and relates to the amortization of lease liabilities.

Currency revaluation differences in cash and cash equivalents amounted to KSEK 16,170 (-25,343) 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 -0.49 (-0.35).

During the full year, cash and cash equivalents decreased by KSEK -187,844 and amounted to KSEK 193,960 compared to KSEK 381,804 at the beginning of the year.

Cash flow from operating activities before changes in working capital amounted to KSEK -16,759 (-17,132) for the full year. Cash flow from changes in working capital amounted to KSEK 4,990 (-20,928). Cash flow from changes in working capital is higher than in 2023 due to lower inventory and lower receivables. Consequently, the cash flow from operating activities amounted to KSEK -11,769 (-38,061).

Cash flow from investments in intangible assets amounted to KSEK -172,788 (-168,373) and mainly consists of development expenses for clinical studies and registration work for Sedaconda ACD and Sedaconda (isoflurane) in the United States. Investments in subsidiaries amounted to KSEK -24,976 (0). Repaid short term investment in the first quarter of 2024 and the previous year's repayment and investment in short term investments amounted to KSEK 155,307 (-153,069). Total cash flow from investing activities for the full year thus amounted to KSEK -44,673 (-321,957).

Cash flow from financing activities for the period amounted to KSEK -3,571 (-4,857) and relates to the amortization of lease liabilities.

Currency revaluation differences in cash and cash equivalents for the period amounted to KSEK 22,793 (-11,687) and are mainly related to cash and cash equivalents held in USD. Cash flow per share for the period was SEK -0.60 (-3.67). Adjusted for repayments and investments in short-term deposits, the cash flow per share amounted to SEK -2.17 (-2.13).

Parent company

The Parent Company’s net sales for the full year totalled KSEK 177,736 (153,767), of which intra-group sales were KSEK 7,752 (7,301).

Operating income for the year totalled KSEK -52,189 (-57,283). Net financial items were KSEK 43,350 (9,518) and mainly relates to unrealized exchange gains on cash balances in foreign currencies, mainly USD and received interest.

Shareholders’ equity in the Parent Company on December 31, 2024 totalled KSEK 994,171 compared to KSEK 1,002,640 at the beginning of the year. This corresponds to a decrease of KSEK 8,469. Share capital totalled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents stood at KSEK 176,424, compared to KSEK 215,921 at the beginning of the year. The difference between cash and cash equivalents at the end and the beginning of the year has been affected by the cash flow for the year but also by exchange rate differences in cash and cash equivalents as well as the repayment of short-term deposits amounting to KSEK 155,307.

The Sedana Medical share

Sedana Medical share was listed on Nasdaq First North Growth Market Stockholm in 2017 and is since January 25, 2024 listed on Nasdaq Stockholm. Market capitalisation at the end of the third quarter was MSEK 1,800.

The price paid for Sedana Medical shares was SEK 23.16 at the start of the year and SEK 18.12 at the end of the year. The lowest closing price during the year was recorded on November 18 and was SEK 10.16. The highest closing price was recorded on July 12 and was SEK 28.05.

Share information

	Oct-Dec		Jan-Dec	
	2024	**2023**	**2024**	**2023**
Net income, KSEK	8,498	-38,071	-10,674	-59,612
Cash flow, KSEK	-48,604	-34,288	-60,013	-364,875
Number of shares at balance date	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
Outstanding warrants at balance date	824,947	973,399	824,947	973,399
Average number of warrants	824,947	973,399	874,431	988,679
Share capital at balance date, KSEK	2,483	2,483	2,483	2,483
Equity at balance date, KSEK	958,264	969,995	958,264	969,995
Earnings per share before dilution, SEK	0.09	-0.38	-0.11	-0.60
Earnings per share after dilution, SEK	0.09	-0.38	-0.11	-0.60
Equity per share, SEK	9.65	9.76	9.65	9.76
Cash flow per share, SEK	-0.49	-0.35	-0.60	-3.67

Largest shareholders at the end of the period

	No of shares	**Share**
Linc AB	12,796,076	12.9%
Anders Walldov direct and indirect (Brohuvudet AB)	10,000,000	10.1%
Lannebo Funds	7,013,727	7.1%
Swedbank Robur Funds	4,424,536	4.5%
Ola Magnusson direct and indirect (Magiola AB)	4,312,288	4.3%
Sten Gibeck	4,196,597	4.2%
Premier Miton Investors	3,834,481	3.9%
Avanza Pension	3,161,305	3.2%
Lancelot Asset Management AB	2,850,000	2.9%
Handelsbanken Funds	2,833,228	2.9%
AMF Pension	2,491,000	2.5%
Highclere International Investors LLP	2,341,432	2.4%
Amundi	2,029,593	2.0%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Nordnet Pension Funds	1,398,790	1.4%
Fifteen largest shareholders	65,349,517	65.8%
Others	*33,987,443*	*34.2%*
Total	**99,336,960**	**100.0%**

Facts about the share

Trading
Nasdaq Stockholm

No of shares as per Dec 31, 2024
99,336,960

Market cap as per Dec 31, 2024
MSEK 1,800

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 February 13, 2025

Claus Bjerre Chairman of the Board	Hilde Furberg Board member	Jens Viebke Board member
Donna Haire Board member	Christoffer Rosenblad Board member	Johannes Doll President and CEO

This year-end 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

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Presentation of the year-end report

Sedana Medical presents the year-end report to investors, asset managers, analysts and media on February 13, 2025 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/year-end-report-2024/

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

Annual report and Annual general meeting

Sedana Medicals annual report will be available on the company's website, www.sedanamedical.com, from April 10, 2025. The annual general meeting will be held on Wednesday May 15, 2025.

Dividend

The Board of directors proposes that no dividend is paid for the 2024 financial year.

Financial calendar

Annual Report 2024	10 April 2025
Interim Report Q1 2025	6 May 2025
Annual General Meeting 2025	15 May 2025
Interim Report Q2 2025	18 July 2025
Interim Report Q3 2025	24 October 2025

Consolidated income statement, summary

	Oct-Dec		Jan-Dec	
(KSEK)	2024	2023	2024	2023
Net sales	49,156	44,544	178,754	153,867
Cost of goods sold	-15,000	-13,584	-52,612	-44,886
Gross profit	**34,156**	**30,960**	**126,142**	**108,981**
Selling expenses	-28,164	-28,019	-104,796	-107,239
Administrative expenses	-11,752	-10,729	-51,799	-47,504
Research and development expenses	-4,800	-5,678	-20,294	-20,805
Other operating expenses	-277	-1,385	-19	1,020
Operating income	**-10,836**	**-14,850**	**-50,767**	**-65,547**
Net financial items	**19,528**	**-23,038**	**40,819**	**6,529**
Income before taxes	**8,692**	**-37,887**	**-9,948**	**-59,019**
Income tax	-194	-184	-726	-593
Net income	**8,498**	**-38,071**	**-10,674**	**-59,612**
Earnings per share, based on earnings attributable to the parent company's ordinary shareholders:				
Before dilution	0.09	-0.38	-0.11	-0.60
After dilution	0.09	-0.38	-0.11	-0.60
Operating income (EBIT)	**-10,836**	**-14,850**	**-50,767**	**-65,547**
Whereof amortisation of intangible assets	-4,188	-3,863	-16,075	-15,452
Whereof depreciation of tangible assets	-1,356	-1,935	-5,522	-7,122
EBITDA	**-5,292**	**-9,051**	**-29,171**	**-42,974**

Consolidated statement of other comprehensive income, summary

	Oct-Dec		Jan-Dec	
(KSEK)	2024	2023	2024	2023
Net income	**8,498**	**-38,071**	**-10,674**	**-59,612**
Other comprehensive income				
Items that can later be reclassified to the income statement:				
Translation differences from foreign operations	-691	1,832	-1,593	451
Other comprehensive income, net after tax	**-691**	**1,832**	**-1,593**	**451**
Total comprehensive income	**7,806**	**-36,239**	**-12,267**	**-59,161**
Total comprehensive income as a whole attributable to the parent company's shareholders	**7,806**	**-36,239**	**-12,267**	**-59,161**

Consolidated balance sheet, summary

(KSEK)	Dec 31, 2024	Dec 31, 2023
ASSETS		
Intangible assets		
Capitalised development expenditure	700,339	542,705
Concessions, patents, licenses, etc.	3,594	3,326
Goodwill[3]	26,569	-
Tangible assets		
Machinery and other technical facilities	588	864
Equipment, tools and installations	3,688	2,551
Rights of use assets	6,349	4,912
Financial assets		
Other long-term assets	47	45
Deferred tax assets	59	31
Total fixed assets	**741,232**	**554,435**
Inventory	45,560	42,975
Tax receivables	2,360	739
Accounts receivable	26,539	24,180
Prepayments and accrued income	5,855	4,701
Other receivables	3,928	5,223
Short-term investments	-	150,624
Cash and cash equivalents	193,960	231,180
Total current assets	**278,200**	**459,621**
TOTAL ASSETS	**1,019,432**	**1,014,056**

(KSEK)	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES		
Equity		
Share capital	2,483	2,483
Other contributed capital	1,226,934	1,226,435
Translation difference	-3,792	-2,199
Retained earnings including net profit	-267,362	-256,724
Equity attributable to the parent company's shareholders	**958,264**	**969,995**
Non-current liabilities		
Leasing liabilities	2,583	1,012
Provision for social security contributions	157	-
Deferred tax liabilities	6	7
Other long term liabilities [3]	6,776	-
Total non-current liabilities	**9,521**	**1,020**
Current liabilities		
Leasing liabilities	3,334	3,294
Accounts payable	5,953	5,292
Tax liabilities	3,145	1,276
Other liabilities	10,601	8,347
Accrued expenses and deferred income	28,615	24,832
Total current liabilities	**51,647**	**43,041**
Total liabilities	**61,168**	**44,061**
TOTAL EQUITY AND LIABILITIES	**1,019,432**	**1,014,056**

[3] See page 23, Acquision of Innovatif Cekal

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**	**1,029,155**
Net income	-	-	-	-59,612	-59,612
Other comprehensive income	-	-	451	-	451
Total comprehensive income	**-**	**-**	**451**	**-59,612**	**-59,161**
Transactions with the Group's owners					
Total transactions with the Group's owners	**-**	**-**	**-**	**-**	**-**
Closing equity at Dec 31, 2023	**2,483**	**1,226,436**	**-2,199**	**-256,724**	**969,995**

(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**	**969,995**
Net income	-	-	-	-10,674	-10,674
Other comprehensive income	-	-	-1,593	36	-1,557
Total comprehensive income	**-**	**-**	**-1,593**	**-10,638**	**-12,231**
Transactions with the Group's owners	-	-	-	-	-
Share-based renumeration	-	498	-	-	498
Total transactions with the Group's owners	**-**	**498**	**-**	**-**	**498**
Closing equity at Dec 31, 2024	**2,483**	**1,226,934**	**-3,792**	**-267,362**	**958,264**

Consolidated cash flow statement, summary

	Oct-Dec		Jan-Dec	
(KSEK)	2024	2023	2024	2023
Operating activities				
Operating income	-10,836	-14,850	-50,767	-65,547
Adjustments for non-cash items				
Depreciations and amortisations	5,544	5,798	21,597	22,573
Exchange rate differences	-604	13,779	-5,636	8,900
Other non-cash items	665	618	2,457	2,552
Interest received	11,828	8,943	16,487	15,168
Interest paid	-41	-66	-178	-215
Income tax paid	-211	-170	-718	-564
Cash flow from operating activities before changes in working capital	**6,345**	**14,053**	**-16,759**	**-17,132**
Cash flow from changes in working capital				
Cash flow from inventories	-888	5,023	2,622	-6,738
Cash flow from operating receivables	1,141	-6,132	2,201	-6,253
Cash flow from operating liabilities	684	-4,166	166	-7,937
Cash flow from operating activities	**7,282**	**8,777**	**-11,769**	**-38,061**
Investing activities				
Investments in intangible assets	-28,750	-41,490	-172,788	-168,373
Investments in tangible assets	-1,349	-353	-2,216	-515
Investment in subsidiaries [3]	-24,976	-	-24,976	-
Repaid short-term deposits	-	-	155,307	312,348
Investments in short-term deposits	-	-	-	-465,417
Cash flow from investing activities	**-55,075**	**-41,843**	**-44,673**	**-321,957**
Financing activities				
New share issue	-	-	-	-
Issue expenses	-	-	-	-
Amortisation of leasing liabilities	-812	-1,223	-3,571	-4,857
Received premium for warrant subscription	-	-	-	-
Costs related to warrant programme	-	-	-	-
Repurchase of warrants	-	-	-	-
Cash flow from financing activites	**-812**	**-1,223**	**-3,571**	**-4,857**
Cash flow for the period	**-48,604**	**-34,288**	**-60,013**	**-364,875**
Cash and cash equivalents at the beginning of the period	**226,394**	**290,811**	**231,180**	**607,742**
Currency revaluation difference	16,170	-25,343	22,793	-11,687
Cash and cash equivalents at the end of the period	**193,960**	**231,180**	**193,960**	**231,180**

Parent company income statement, summary

	Oct-Dec		Jan-Dec	
(KSEK)	**2024**	**2023**	**2024**	**2023**
Net sales	48,268	44,514	177,736	153,767
Cost of goods sold	-13,913	-13,068	-50,271	-43,115
Gross profit	**34,355**	**31,446**	**127,465**	**110,652**
Selling expenses	-16,168	-14,739	-57,625	-62,200
Administration costs	-28,832	-25,926	-112,560	-101,608
Research and development costs	-4,403	-5,058	-18,224	-18,137
Other operating income/expenses	1,317	6,356	8,755	14,009
Operating income	**-13,731**	**-7,921**	**-52,189**	**-57,283**
Net financial items	**20,042**	**-21,762**	**43,350**	**9,518**
Income after net financial items	**6,311**	**-29,682**	**-8,839**	**-47,766**
Group contributions	11	11	11	11
Income before tax	**6,322**	**-29,671**	**-8,828**	**-47,754**
Income tax	-	-	-	-
Net income	**6,322**	**-29,671**	**-8,828**	**-47,754**

Parent company statement of other comprehensive income, summary

	Oct-Dec		Jan-Dec	
(KSEK)	**2024**	**2023**	**2024**	**2023**
Net income	**6,322**	**-29,671**	**-8,828**	**-47,754**
Other comprehensive income				
Items that can later be reclassified to the income statement:				
Translation differences from foreign operations	-56	-181	-139	-17
	-56	**-181**	**-139**	**-17**
Other comprehensive income, net after tax				
Total comprehensive income	**6,266**	**-29,852**	**-8,968**	**-47,771**

Parent company balance sheet, summary

(KSEK)	Dec 31, 2024	Dec 31, 2023
ASSETS		
Intangible assets		
Capitalised development expenditure	665,834	512,707
Tangible assets		
Machinery and other technical facilities	581	819
Equipment, tools and installations	2,977	2,345
Financial assets		
Participations in group companies[3]	40,080	404
Non-current receivables, group companies	41,258	36,874
Total fixed assets	**750,729**	**553,148**
Inventory	39,599	42,975
Tax receivables	2,259	125
Accounts receivable	22,606	21,807
Receivables, group companies	61,784	60,603
Prepayments and accrued income	5,298	4,451
Other receivables	2,627	4,235
Short-term investments	-	150,624
Cash and cash equivalents	176,424	215,921
Total current assets	**310,597**	**500,740**
TOTAL ASSETS	**1,061,327**	**1,053,888**

(KSEK)	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	2,483	2,483
Fund for capitalised development expenses	661,075	505,854
Non-restricted equity		
Share premium fund	1,226,934	1,226,435
Retained earnings	-887,493	-684,378
Net income	-8,828	-47,754
Equity attributable to the parent company's shareholders	**994,171**	**1,002,640**
Provisions		
Other provisions	157	-
Total provisions	**157**	**-**
Long term liabilites		
Other long term liabilities	6,776	-
Total long term liabilities	**6,776**	**-**
Current liabilities		
Accounts payable	5,904	4,577
Liabilities to group companies	21,067	18,170
Tax liabilities	1,848	1,066
Other liabilities	9,209	6,869
Accrued expenses and deferred income	22,195	20,566
Total current liabilities	**60,223**	**51,248**
Total liabilities	**60,223**	**51,248**
TOTAL EQUITY AND LIABILITIES	**1,061,327**	**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.

During the year, investments have been made in short-term investments, so-called deposits in SEK and USD, with a term of 6 months. These are valued at amortized cost 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 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 23 and https://sedanamedical.com/sv/investerare/rapporter-presentationer/

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 40-42.

Personnel

During the year, the Group had an average of 83 (79) full time employees and 6 (7) full time consultants. Excluding Innovatif Cekal, Sedana Medical had an average of 74 (79) full time employees and 5 (7) full time consultants.
In terms of the number of employees (i.e., regardless of full-time or part-time positions), the total number of employees was 109 and the number of consultants was 16 at the end of the period, compared to 79 and 7, respectively, at the same time last year. The change in the number of people is mainly a result of efficiency measures regarding central administrative and support functions, as well as the acquisition of the subsidiary Innovatif Cekal. The number of employees in Innovatif Cekal is 29 and the number of consultants is 9.

Transactions with related parties

Transactions with related parties are conducted on market terms. In 2021, a consultancy agreement was signed between Sedana Medical and board member Claus Bjerre. A total of KSEK 360 has been invoiced and settled under this agreement since it was signed. The agreement ended in the second quarter of 2024. In 2024, a consultancy agreement was signed between Sedana Medical and The Eriah Group Inc. Board member Donna Haire is the CEO of The Eriah Group Inc., and the company has invoiced services amounting to KSEK 167 during the year.

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 54-55.

Acquisition of Innovatif Cekal

On November 29, 2024, Sedana Medical acquired all shares in Innovatif Cekal, the supplier of the company's main product (Sedaconda ACD). Innovatif Cekal is consolidated into Sedana Medical's financial reports starting from December 1, 2024.

The purpose of the acquisition is to increase our control over the supply chain and improve profitability by reducing the cost of goods. The acquisition will give us 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. Over time, when the existing stock at the time of closing has been sold, the deal is expected to add two percentage points to Sedana Medical's EBITDA margin.

The preliminary purchase price for the shares amounts to 34 million SEK on a cash and debt-free basis, adjusted for changes in net working capital, and has been financed through the company's own liquid assets. 75% of the preliminary purchase price was paid on November 29, 2024, and the remaining 25% will be paid in two years. Both the purchase price allocation and the short-term liability is preliminary until the balance sheet of Innovatif Cekal as of November 29, 2024 has been established. The short-term liability consists of the difference between the estimated net working capital at the acquisition date and the net working capital as of the end of November 2024 based on the preliminary balance sheet.

(KSEK)	
Purchase consideration	
Cash	29,214
Short term liabillity preliminary purchase price	2,364
Deferred purchase price	6,776
Total purchase consideration	**38,354**

(KSEK)	
Fair value of acquired assets and assumed liabilities	
Intangible assets	242
Property plant and equipment	632
Inventory	4,985
Current receivables excluding cash and cash equivalents	4,590
Cash and cash equivalents	4,238
Deferred tax liabilities	-55
Current liabilities	-2,739
Total acquired net assets excluding goodwill	**11,892**
Goodwill	26,462
Total acquired net assets	**38,354**
Minus	
Deferred purchase price	-6,776
Short term preliminary purchase price	-2,364
Cash	-4,238
Net cash flow from acquisition of operation	**24,976**

Performance based incentive program (LTI 2024)

The Annual General Meeting 2024 decided on a performance-based incentive program LTI 2024 for employees of Sedana Medical, comprising 1,133,810 performance rights in the form of warrants. To ensure the delivery of the warrants and future estimated social security contributions in connection with the exercise of the options, Sedana Medical's subsidiary Sedana Medical Incentive AB has subscribed for 1,490,053 warrants, of which 1,062,803 were allocated to employees as of December 31, 2024. The performance rights have been issued to participants in the program free of charge. Each warrant entitles the holder to acquire one new share in the company at an exercise price of SEK 26.33. The outcome of LTI 2024 is conditional on the company achieving a performance target regarding the average annual growth rate of net sales for the financial years 2024, 2025, and 2026 ("Performance Target"), excluding currency effects. The Performance Target has been determined by the company's board of directors, taking into account the company's business plan and is deemed to be in line with market practice and appropriate. Detailed information on the Performance Target and the outcome of LTI 2024 will be provided during the first half of 2027. If the Performance Target is not fully met, a participant's right to exercise Performance Rights will gradually be reduced to zero, depending on the extent the Performance Target is reached.
At the end of the period, the full utilization of the performance-based incentive program would increase the share capital by KSEK 37 through the issuance of 1,449,053 shares, corresponding to a dilution of 1.5 percent

Warrant programme

At the end of the year Sedana Medical had 973,399 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**
Exercise period 1 February 2024 – 31 May 2024								
2023/2025:1	CEO	495,000	-	-	-	495,000	1:1	46.24
2023/2025:1	Senior management	-	-	-	-	-	1:1	46.24
2023/2025:1	Other employees	-	-	-	-	-	1:1	46.24
2023/2025:1	**Total**	**495,000**	**-**	**-**	**-**	**495,000**	**1:1**	**46.24**
Exercise period 30 May 2025 - 30 September 2025								
2023/2025:2	CEO	-	-	-	-	-	1:1	46.24
2023/2025:2	Senior management	231,606	-	-	-	231,606	1:1	46.24
2023/2025:2	Other employees	98,341	-	-	-	98,341	1:1	46.24
2023/2025:2	**Total**	**329,947**	**-**	**-**	**-**	**329,947**	**1:1**	**46.24**
Exercise period 30 May 2025 - 30 September 2025								
Totalt	CEO	495,000	-	-	-	495,000		
Totalt	Senior management	256,806	-	-25,200	-	231,606		
Totalt	Other employees	221,593	-	-123,252	-	98,341		
	Total	**973,399**	**-**	**-148,452**	**-**	**824,947**		

* 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

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

Tax rates for the parent company
2024: 20,6%
2023: 20.6%