

January - September 2021 in brief

Senzime AB (publ), 556565–5734

»A quarter with continued impact of the pandemic, but more ongoing trials than ever before«

- Ongoing or contracted trials at more than 60 hospitals with a total potential of approximately 750 TetraGraph® systems.
- Strategically important agreements were signed in the US with some of the most reputable hospitals in the world where we will install monitors in all operating theatres during the fourth quarter.
- Production of TetraGraph monitor started in own premises, partly contributing to an increased gross margin of 68 percent (33).

Calendar 2022

Year-end report: February 17, 2022
Interim report Q1: May 5
Annual General Meeting: May 18
Interim report Q2: July 15
Interim report Q3: November 10

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July - September 2021

- Net sales amounted to SEK 1,436 thousand (2,096).
- Gross margin before depreciation was 67.8 percent (33.4).
- Income after financial items was SEK -19,704 thousand (-11,787).
- Earnings per share amounted to SEK -0.31 (-0.20).
- Cash and cash equivalents amounted to SEK 97.4 million (75.7) on September 30.
- The number of shares as of September 30 was 62,493,290 (57,348,290).

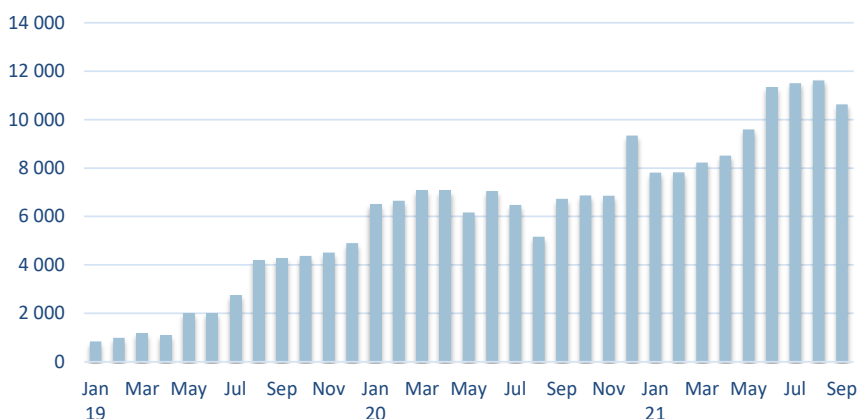
January - September 2021

- Net sales amounted to SEK 7,263 thousand (5,843).
- Gross margin before depreciation was 58.9 percent (39.7).
- Income after financial items was SEK -59,923 thousand (-33,420).
- Earnings per share amounted to SEK -0.93 (-0.58).

KSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Net sales	1,436	2,096	7,263	5,843	9,337
Income after financial items	-19,704	-11,787	-59,923	-33,420	-48,991
Earnings per share (SEK)	-0.31	-0.20	-0.93	-0.58	-0.84
Gross margin before depreciation (%)	67.8	33.4	58.9	39.7	40.9
Operating profit before depreciation	-16,963	-9,015	-51,742	-24,918	-37,148
Equity/assets ratio (%)	89.4	86.3	89.4	86.3	89.4

Net sales

Rolling 12 month kSEK



Excluding license payments from Fukuda Denshi, Japan.

Figures in parentheses above describe the corresponding period last year. Unless otherwise stated, all information relates to the Group.

Significant events during the period

January 14: SENZIME ESTABLISHES IN GERMANY

Recruitment of Country Manager and Regional Clinical Manager is carried out. Katholisches Klinikum Bochum University Hospital places the first order for TetraGraph® systems in Germany.

March 4: SENZIME TETRASENSE DISPOSABLE SENSOR RECEIVES RIGHT TO REIMBURSEMENT IN SOUTH KOREA

As of March 1, 2021, South Korea's state healthcare system will reimburse the use of Senzime's TetraSens disposable sensors in anesthesia using muscle relaxants in patients with ASA-PS 3 or higher

March 10: INTERNATIONAL MULTICENTER STUDY STRENGTHENS VALUE OF SENZIME'S TETRAGRAPH

A clinical study of 120 patients conducted by the Mayo Clinic Jacksonville, USA, the University of Debrecen, Hungary, and the NorthShore University Health System, Chicago, USA, is published in the Journal of Clinical Anesthesia. The study proves the value of EMG technology vs. AMG technology.

April 20: EXPANDS US COMMERCIAL CAPACITY

Senzime continues its expansion in line with its commercial strategy - by recruiting additional vendors and signing a distribution agreement with Mercury Medical Enterprises, Inc.

May 11: ANNUAL GENERAL MEETING

At Senzime's Annual General Meeting, the current Board of Directors was re-elected and resolved on the Nomination Committee for the next Annual General Meeting, adopted rules for remuneration to senior executives, new articles of association and resolved on issue authorization and a new incentive program.

May 22: NEW GUIDELINES REQUIRE NEUROMUSCULAR QUANTITATIVE MONITORING

Senzime announces that the Association of Anaesthetists has issued new guidelines for quantitative monitoring neuromuscular blockade in the UK and Ireland. Among other things, the guidelines state that quantitative monitoring must be available in all operating theatres and should be used in all patients receiving muscle-blocking drugs.

June 30: SENZIME LISTED ON NASDAQ STOCKHOLM'S MAIN MARKET

On June 23, Nasdaq Stockholm's Company Committee approved Senzime's application to admit the company's shares to trading on Nasdaq Stockholm's main market. The first trading day was 30 June.

September 13: STUDIES SHOW BOTH FINANCIAL SAVINGS AND PATIENT BENEFITS IN MONITORING WITH EMG TECHNOLOGY

Recently published studies show that EMG monitoring can help reduce serious complications in the use of muscle relaxants, while the introduction of quantitative neuromuscular monitoring results in a net cost saving by reducing the aforementioned respiratory complications.

Significant events after the end of the third quarter

October 15: SENZIME ATTENDS THE ANNUAL MEETING OF THE AMERICAN SOCIETY OF ANESTHESIOLOGY

Senzime's TetraGraph® system gained great focus at the American Society of Anesthesiology's Annual meeting in San Diego. A study done with the TetraGraph was selected Editors' choice in the journal Anesthesiology and TetraGraph was featured in four different poster presentations at the meeting with two focusing on pediatric use, one using different muscle groups and one a prospective trial in restricted arm movement surgical settings.

A quarter with continued impact of the pandemic, but more ongoing trials than ever before

At the end of the third quarter, trials were ongoing and contracted at more than 60 hospitals with a total potential of approximately 750 TetraGraph® systems. The great interest in our system was also evident at the American Society of Anesthesiology's Annual meeting (ASA) where four studies with TetraGraph® were presented. Two of these studies focused on use in children. A TetraGraph® study was also named editor's choice in the prestigious journal *Anesthesiology*. It was great to finally meet international anesthesiologists again after the lockdown during the pandemic and very encouraging to hear that quantitative monitoring is a high priority area around the world. I am very proud of the Senzime team and our continued efforts for a world without anesthesia-related complications.

We have seen a clear acceleration in demand during the autumn, after a tepid summer when hospitals slowed down more than usual in the aftermath of the pandemic. The sales process for TetraGraph® takes place in several stages, with the majority of customers conducting trials, which is the final step before a final purchasing decision. Right now, we have more trials underway than we've ever had before.

Sales increased 24 percent between the nine-month periods of 2021 and the previous year. The end of the long pandemic, the pending start-up thereafter had a negative impact on the Group's sales in the third quarter. Overall, group sales decreased by 31 percent compared to the third quarter of last year. However, it is gratifying to note that sales in the US increased by 60 percent between the quarters and contain both orders from existing and new customers.

The base of installed TetraGraph® systems is gradually increasing in hospitals. We have signed strategically important agreements in the US with some of the most reputable hospitals in the world where during the fourth quarter we install monitors in all operating theatres. These agreements are based on commitments in the purchase of sensors against us exhibiting monitors, which has some negative short-term impact on sales, but means that we increase competitiveness and invest to increase sensor sales in the long term.

Around 20 trials of TetraGraph® are currently underway at British hospitals. The UK has introduced new quantitative monitoring guidelines which mean equipment must be available in all operating theatres and used on all patients receiving muscle-blocking drugs. Our rollout of TetraGraph® does not depend on guidelines, but it is clear that they contribute to potentially even faster rollout rates.



In order to increase margins and improve efficiency, the production of TetraGraph® has been moved home to Uppsala according to plan. It feels great to see the monitors put together in our own premises. At the beginning of October, we also had a much appreciated Capital Markets Day. The feedback from this was that it was very interesting to hear and understand more about the area of anesthesia specialists and to get an in-depth knowledge of the business.

Most importantly, however, the installed base of TetraGraph® – which in turn drives sensor sales – is growing and it does. Our communicated target of SEK 200 million in sales by 2023 remains despite the fact that the pandemic has temporarily restricted Senzime's access to healthcare. The target corresponds to an installed base of approximately 5,000 TetraGraph® systems by 2023.

I look forward to continuing to drive strong business activity in the coming quarter and to carry out further recruitments of key personnel in both the US and Germany.

Uppsala in November 2021

Pia Renaudin, CEO

About Senszime

Senzime develops and markets CE-marked and FDA-approved medical technology systems, powered by unique algorithms and disposable sensors that assess the patient's muscle function before, during and after anesthesia and surgery. The company's goal is to contribute to improved clinical precision and simplified management in healthcare. Senszime's system is called TetraGraph® and digitally and continuously measures the degree of neuromuscular blockade in order to pre-

vent complications. Fewer complications lead to less suffering for patients but also contribute to shorter hospital stays and reduced care costs. Senszime's vision is that TetraGraph® should be used in every operation where muscle relaxants are used, for a safe awakening for all patients.

Senzime's development portfolio also includes innovative, patient-oriented solutions that enable automated and continuous measurement of biological substances such as glucose and lactate in blood

and tissue fluids - CliniSenz® Analyzer and OnZurf® Probe.

Senzime operates in a globally growing market which today in Europe and the USA alone is valued at over SEK 15 billion annually. Today, Senszime has sales in 18 countries, of which the most important are the United States, Germany, France, Italy, the United Kingdom, Spain, Switzerland, South Korea and Japan. The company's shares are traded on the Nasdaq Stockholm Main list (ticker SEZI).

Senzime operates on an expansive market with potential value exceeding SEK 15 billion per year



USA and Canada
52 million surgical
procedures/year

Europe
64 million surgical
procedures/year

Asia and Oceania
50 million surgical
procedures/year

TETRASENS'S TOTAL MARKET
SEK **11.9** BILLION

TETRAGRAPH'S TOTAL MARKET
SEK **3.6** BILLION

Sources: Meta-analysis 2007, Global operating theatre distribution and pulse oximetry supply: an estimation from reported data. Funk et al. 2010, Centers for Disease Control and Prevention 2017, Steiner et al. 2017, Rose et al. 2014, An estimation of the global volume of surgery, Weiser et al. 2008, OECD, national databases, M. Naguib 2007, Ishizawa 2011, Number of surgical procedures (per 100,000 population), World Bank, Measuring surgical systems worldwide: an update, Kamali et al., 2018, National Hospital Discharge Survey, Centers for Disease Control and Prevention, 2010 together with Senszime company assumptions.

The share

Share capital development (SEK)

Date	Event	No. of shares	Share capital (SEK)	Quotient value (SEK)
January 1, 2021	Opening	62,493,290	7,811,661	0.125
Total September 30, 2021	Closing	62,493,290	7,811,661	0.125

Share price development (SEK)



Ten largest shareholders on September 30

Owner	Number of shares	Share of capital %
Crafoord family	9 119 251	14,6
Segulah Venture AB and AB Segulah	4 408 085	7,1
Handelsbanken Fonder AB	4 426 903	7,1
Pershing LLC.	3 778 435	6,0
Sorin J. Brull	3 233 528	5,2
Fjärde AP-fonden	2 700 000	4,3
Swedbank Robur Microcap	2 600 000	4,2
Lindskog Family	2 444 383	3,9
Stone Bridge Biomedical	2 172 300	3,5
TIN Ny Teknik	2 001 500	3,2
Others	25 609 175	41,0
Total	62,493,290	100.0

Comments to the report

Revenue and profit third quarter of 2021

Consolidated net sales in the third quarter of 2021 amounted to KSEK 1,436 thousand (2,096), which corresponds to a decrease of 31 percent compared to the third quarter of the previous year. However, sales in the US increased by 60 percent between the quarters and contained orders from both existing and new customers.

Through good cost control, the gross margin before depreciation and amortization, despite the lower sales, has increased from 33 percent in the third quarter of 2020 to 68 percent in the third quarter of this year.

The Group's total expenses amounted to KSEK 18,263 thousand (9,637). The establishment of the subsidiary Senzime, Inc. in the US with its own sales force, the start-up of Senzime GmbH in Germany, the change of stock trading list, and work on adaptations of the business to new regulatory requirements (MDR) have also contributed to the increase in costs. Operating profit in the third quarter amounted to KSEK -19,683 (-11,749).

Revenue and profit January - September 2021

Net sales for the period January - September amounted to KSEK 7,263 (5,843), corresponding to growth of 24 percent compared to the period January-September 2020. Above all, the US and Europe contributed to the good development. Gross margin before depreciation and amortization was 58.9 percent (39.7) for the first nine months of the year.

The Group's total expenses amounted to KSEK 56,461 thousand (27,106). The construction of sales organizations in the UNITED States and Germany and the change of listing list for the company's share have resulted in increased sales and administrative costs.

Financial costs consist essentially of interest expenses on lease liability.

Operating profit for the period amounted to KSEK -59,858 (-33,329).

Financial position

At the end of the third quarter of 2021, the Group's equity amounted to SEK 174.8 million (147.4). The equity/assets ratio was 89.4 percent (86.3). At the end of the period, the company's cash and cash equivalents amounted to SEK 97.4 million (75.7).

The company's cash and cash equivalents are expected to cover the needs of the business for at least the next 12 months.

Cash-flow and investments

Cash flow from operating activities including changes in working capital for the third quarter amounted to KSEK -19,767 (-7,889). The negative cash flow is largely due to the negative result, but also inventory build-up and hedging of raw materials for own

production of TetraGraph® monitor have contributed.

Cash flow from investment activities for the third quarter amounted to SEK -595 thousand (0).

Cash flow from financing activities for the third quarter amounted to SEK -275 thousand (-375).

Cash flow from operating activities including changes in working capital for the period January-September amounted to KSEK -60,767 thousand (-23,073). The negative cash flow is largely due to the negative result.

Cash flow from investment activities for the period January - September amounted to SEK -1,717 thousand (-277). The investments during the period are largely due to the construction of own production premises.

Cash flow from financing activities for the period January - September amounted to SEK -594 thousand (68,158). In April last year, a directed share issue was carried out, which provided the company with SEK 69.1 million after issue costs.

Stock options

Subscription options

The Group has three employee stock option programs of a total of 1,656,050 options, see Note 8 in this report for detailed descriptions.

Warrants

Since May 2019, CEO Pia Renaudin has held 400,000 warrants. Each warrant entitles to subscription of one new share in the company at a price of SEK 12.00 with redemption date no later than 7 May 2022.

Dilution

Based on the existing number of shares and outstanding personnel and warrants, the dilution resulting from the programs is calculated assuming that all options (including not yet allotted) are exercised for subscription of shares amounting to a maximum of 3.2 percent.

Parent company and subsidiaries

Most of the Group's operations are conducted in the Parent Company. For comments on the parent company's results, please refer to the comments made for the Group.

The U.S. subsidiary Senzime, Inc. started operating activities in the second quarter of 2020. Sales in the US are made directly by own sales force and through local distributors.

In the first quarter of 2021, the German company Senzime GmbH started its operations.

The Group's two other subsidiaries hold only certain rights licensed to the Parent Company in the form of royalties.

Risks and uncertainties

A number of risk factors can have a negative impact on the business in Senzime. It is therefore of great importance to consider relevant risks in addition to the company's growth opportunities. An account of the Group's significant financial and business risks can be found in the Annual Report and in the Annual Report for 2020. No additional material risks are considered to have been incurred.

Like many other companies, Senzime has faced major challenges from the Covid-19 pandemic. The basic need for neuromuscular monitoring has not diminished, although operations have been postponed to accommodate and enable the availability of medical staff.

Access to hospitals has been very limited and affected the number of trials in 2020 and early 2021.

Auditors report

This Interim Report has been reviewed by the company's auditor.

Change of stock trading list

Nasdaq Stockholm's Company Committee approved Senzime's application to admit the company's shares to trading on Nasdaq Stockholm's main market at a meeting on June 23. The first trading day was 30 June.

The Board's assurance

The Board of Directors and the CEO assure that the interim report provides a true and fair view of the parent company's and the Group's operations, financial position and results and describes the material risks and uncertainties facing the Parent Company and the companies that are part of the Group.

Uppsala, November 12, 2021

Philip Siberg
Chairman of the Board

Sorin J Brull
Director

Adam Dahlberg
Director

Lennart Kalén
Director

Eva Walde
Director

Pia Renaudin
Chief Executive Officer

Auditor's report

Senzime AB (publ.) org nr 556565-5734

Introduction

We have carried out a comprehensive review of the interim financial information (interim report) for Senzime AB as of September 30, 2021 and the nine-month period ending as of this date. It is the responsibility of the Board of Directors and the CEO to prepare and present this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to reach a conclusion on this interim report based on our comprehensive review.

The focus and scope of the review

We have conducted our review in accordance with international standard on review engagements ISRE 2410 Comprehensive review of interim financial information conducted by the company's selected auditor. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, to carry out analytical audits and to take other transparent audit measures. A review has a different focus and a significantly smaller scope compared to the focus and scope of an ISA audit and good audit practice in general. The audit measures taken in the event of a review do not allow us to obtain such certainty that we become aware of all the important circumstances that could have been identified if an audit had been carried out. Therefore, the stated conclusion based on a review does not have the certainty of an explicit conclusion based on an audit.

Conclusion

Based on our review, no circumstances have emerged that give us reason to consider that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Uppsala, 12 November 2021

Öhrlings PricewaterhouseCoopers AB

Leonard Daun

Certified public accountant

Condensed Consolidated Statement of Comprehensive Income

SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Net sales	2	1,436	2,095	7,263	5,843	9,337
Cost of goods sold	3	-3,182	-4,130	-11,102	-11,937	-17,236
Gross profit (loss)		-1,746	-2,035	-3,839	-6,094	-7,899
Development expenses	4	-3,191	-1,976	-8,629	-5,688	-8,217
Selling and marketing expenses	4	-10,114	-3,014	-26,195	-8,096	-16,051
Administrative expenses	4,5,8	-4,958	-4,647	-21,637	-13,322	-15,093
Other operating income		633	270	1,511	1,034	1,122
Other operating expenses		-307	-347	-1,069	-1,163	-2,758
Earnings before interest and taxes		-19,683	-11,749	-59,858	-33,329	-48,866
Financial expenses		-21	-38	-65	-91	-125
Financial items—net		-21	-38	-65	-91	-125
Profit(loss) after financial items		-19,704	-11,787	-59,923	-33,420	-48,991
Income tax		517	386	1,552	1,168	1,547
Net profit (loss)		-19,187	-11,401	-58,371	-32,252	-47,444
Other comprehensive income:						
<i>Items reclassifiable to profit or loss</i>						
Translation differences		-2	-75	418	276	-36
Other comprehensive income for the period, net of tax		-2	-75	418	276	-36
Total comprehensive income for the period		-19,189	-11,476	-57,953	-31,976	-47,480

Net profit (loss) and total comprehensive income is wholly attributable to equity holders of the parent.

Earnings per share, based on net profit (loss) attributable to equity holders of the parent

SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Weighted average no. of shares before dilution	6	62,493,290	57,348,290	62,493,290	55,351,994	56,199,776
Weighted average no. of shares after dilution	6	62,687,193	57,805,884	62,685,857	55,809,588	56,353,495
Earnings per share, basic and diluted	6	-0.31	-0.20	-0.93	-0.58	-0.84

Condensed Consolidated Balance Sheet

SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Non-current assets				
Intangible assets		75,737	86,183	82,168
Property, plant and equipment		1,010	208	238
Rights of use		1,943	3,016	2,632
Other financial assets		1,399	0	0
Total non-current assets		80,089	89,407	85,038
Current assets				
Inventories and work in progress		8,572	2,267	3,950
Accounts receivable		3,588	1,702	3,285
Other receivables		5,611	1,624	5,868
Prepaid expenses and accrued income		304	21	442
Cash and cash equivalents		97,436	75,707	160,310
Total current assets		115,511	81,321	173,855
TOTAL ASSETS		195,600	170,728	258,893
EQUITY AND LIABILITIES				
EQUITY		174,839	147,352	231,346
LIABILITIES				
<i>Non-current liabilities</i>				
Appropriations		1,386	0	0
Lease liability		740	1,578	1,248
Deferred tax liability		10,307	12,237	11,858
Total non-current liabilities		12 433	13,815	13,106
<i>Current liabilities</i>				
Lease liability		982	1,193	1,148
Trade payables		2,600	3,206	4,718
Other current liabilities		2,056	1,257	5,450
Accrued expenses		2,690	3,905	3,125
Total current liabilities		8,328	9,561	14,441
TOTAL EQUITY AND LIABILITIES		195,600	170,728	258,893

Condensed Consolidated Statement of Changes in Equity

SEK 000	Attributable to equity holders of the parent company				Total equity
	Share capital	Other paid-up capital	Reserves	Retained earnings incl. net profit (loss)	
Opening balance, 1 January 2020	6,556	229,891	1,949	-128,428	109,968
Net profit (loss)				-32,252	-32,252
Other comprehensive income			276		276
Total comprehensive income	0	0	276	-32,252	-31,976
Transactions with shareholders in their capacity as owners					
Employee stock options				270	270
New share issue	612	72,888			73,500
Expenses attributable to share issues		-4,410			-4,410
Total transactions with shareholders	612	68,478	0	270	69,360
Closing balance, 30 September 2020	7,168	298,369	2,225	-160,410	147,352
Opening balance, 1 January 2021	7,812	397,553	1,913	-175,932	231,346
Net profit (loss)				-58,371	-58,371
Other comprehensive income			418		418
Total comprehensive income	0	0	418	-58,371	-57,953
Transactions with shareholders in their capacity as owners					
Employee stock options				1,446	1,446
Total transactions with shareholders	0	0	0	1,446	1,446
Closing balance, 30 September 2021	7,812	397,553	2,331	-232,857	174,839

Condensed Consolidated Statement of Cash Flows

SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Cash flow from operating activities						
Earnings before interest and taxes		-19,683	-11,749	-59,858	-33,329	-48,866
Adjustment for non-cash items:						
– Depreciation and amortization		2,726	2,757	8,187	8,467	11,901
– Other non-cash items		509	93	1,446	271	498
Interest paid		-20	-38	-65	-91	-124
Cash flow from operating activities before change in working capital		-16,470	-8,937	-50,290	-24,682	-36,591
Cash flow from change in working capital						
Increase/decrease in inventories		-2,567	-254	-4,622	170	-1,513
Increase/decrease in trade receivables		-133	-1,096	-303	-826	-755
Increase/decrease in other receivables		1,546	692	395	1,141	-5,422
Increase/decrease in trade payables		-884	1,606	-2,118	257	1,770
Increase/decrease in other payables		-1,259	100	-3,829	867	4,176
Total change in working capital		-3,297	1,048	-10,477	1,609	-1,744
Cash flow from operating activities		-19,767	-7,889	-60,767	-23,073	-38,335
Cash flow from investing activities						
Investments in tangible assets		-273	-	-838	-142	-192
Investments in intangible assets		-322	-	-879	-135	-135
Cash flow from investing activities		-595	-	-1,717	-277	-327
Cash flow from financing activities						
Payments for amortization of lease liabilities		-275	-375	594	-932	-1,218
New share issue, net of transaction expenses		-	-	-	69,090	168,907
Cash flow from financing activities		-275	-375	594	68,158	167,689
Decrease/increase in cash and cash equivalents		-20,637	-8,264	-63,078	44,808	129,027
Cash and cash equivalents beginning of period		118,170	83,971	160,310	30,899	30,898
Exchange rate differences in cash and cash equivalents		-97	0	204	0	385
Cash and cash equivalents at end of period		97,436	75,707	97,436	75,707	160,310

Parent Company Income Statement

SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Net sales	2	2,612	2,229	10,390	6,923	10,756
Cost of goods sold	3	-1,583	-1,910	-6,543	-5,315	-7,670
Gross profit (loss)		1,029	319	3,847	1,606	3,086
Development expenses	4	-3,196	-1,976	-8,634	-5,688	-8,187
Selling and marketing expenses	4	-3,125	-1,420	-9,815	-4,388	-14,578
Administrative expenses	4,5,8	-13,176	-5,166	-30,912	-14,139	-18,917
Other operating income		631	279	1,507	1,032	1,060
Other operating expenses		-306	-319	-1,066	-1,136	-2,635
Earnings before interest and taxes		-18,143	-8,283	-45,073	-22,711	-40,171
Financial expenses		-	-	-2	-2	-2
Financial items—net		-	-	-2	-2	-2
Profit(loss) after financial items		-18,143	-8,283	-45,075	-22,713	-40,173
Net profit (loss)		-18,143	-8,283	-45,075	-22,713	-40,173

There are no items in the parent company recognized as other comprehensive income, so total comprehensive income is equal to net profit (loss).

Parent Company Balance Sheet

SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Non-current assets				
Intangible non-current assets		18,091	19,575	18,527
Property, plant and equipment		1,000	209	238
Financial non-current assets		26,267	15,209	11,452
Total non-current assets		45,358	34,993	30,217
Omsättningstillgångar				
Inventories and work in progress		7,281	1,568	3,488
Trade receivables and other receivables		7,559	4,132	8,284
Receivables from group companies		115	0	1,529
Prepaid expenses and accrued income		516	315	711
Cash and bank balances		96,600	75,183	159,386
Total current assets		112,071	81,198	173,398
TOTAL ASSETS		157,429	116,191	203,615
EQUITY AND LIABILITIES				
Equity				
Restricted equity		28,374	28,789	28,572
Non-restricted equity		117,501	78,795	160,946
Total equity		145,875	107,584	189,518
Liabilities				
Long-term liabilities				
Appropriations		1,386	0	0
Total long-term liabilities		1,386	0	0
Current liabilities				
Trade payables		2,555	3,204	4,671
Trade payables to group companies		3 087	0	1,490
Other current liabilities		1,979	1,525	5,442
Accrued expenses		2,547	3,878	2,494
Total current liabilities		10,168	8,607	14,097
TOTAL EQUITY AND LIABILITIES		157,429	116,191	203,615

Notes on the Consolidated Accounts

Note 1 Accounting principles

This interim report in summary for the third quarter ended 30 September 2021 has been prepared in accordance with the international accounting standard IAS 34 "Interim Financial Reporting". The term "IFRS" in this document includes the application of IAS and IFRS, as well as interpretations of these recommendations published by the IASB's Standards Interpretation Committee (SIC) and IFRS Interpretation Committee (IFRIC). The application of the accounting principles is in accordance with those contained in the Annual Report for the financial year ended 31 December 2020 and shall be read in conjunction with this Interim report. There are no changes to IFRS in 2021 that are estimated to have a significant impact on the Group's earnings and financial position.

Unless otherwise stated, all amounts are reported in thousands of kronor (KSEK). Information in parentheses refers to the comparison year.

Note 2 Division of net sales

KSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
License revenues	70	0	122	0	0
Sales of good	1,366	2,096	7,141	5,843	9,337
Total	1,436	2,096	7,263	5,843	9,337

Note 3 Cost of goods sold

KSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Cost of materials	361	1,294	2,576	3,190	5,054
Personnell expenses	0	69	101	235	170
External services	102	33	309	101	294
Depreciation and amortization	2,719	2,734	8,116	8,411	11,718
Total	3,182	4,130	11,102	11,937	17,236

Note 4 Development, selling and administrative expenses

KSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
Personnell expenses	11,180	6,100	32,425	16,360	23,706
Consulting expenses	3,712	1,762	15,769	5,150	11,510
Depreciation	7	105	72	302	184
Other expenses	3,364	1,670	8,195	5,294	3,931
Summa	18,263	9,637	56,461	27,106	39,331

Note 5 Transactions with related parties

During the period, one Director invoiced 771 KSEK (943) on market terms for consulting services rendered associated with the company's operating activities. These services were mainly rendered by Sorin Brull.

Note 6 Earnings per share

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full yr. 2020
<i>SEK</i>					
Basic earnings per share	-0.31	-0.20	-0.93	-0.58	-0.84
Diluted earnings per share	-0.31	-0.20	-0.93	-0.58	-0.84
Earnings measures used for calculating earnings per share					
Profit (loss) attributable to equity holders of the parent used	Net profit (loss)	Net profit (loss)	Net profit (loss)	Net profit (loss)	Net profit (loss)
Profit (loss) attributable to equity holders of the parent, KSEK	-19,187	-11,400	-58,371	-32,252	-47,444
No.					
Weighted average no. of ordinary shares for calculating basic earnings per share	62,493 290	57,348,290	62,493 290	55,351,994	56,199,776
Adjustment for calculating diluted earnings per share	199,903	457,594	192,567	457,594	153,719
Stock options					
Weighted average no. of ordinary shares and potential ordinary shares used as denominator for calculating diluted earnings per share	62,687,193	57,805,884	62,685,857	55,809,588	56,353,495

Diluted earnings per share is not reported because it generates higher earnings per share because the company is loss making.

Note 7 Alternative performance measures

Senzime has defined the following alternative performance measures. The computations are published at www.senzime.com.

Performance measure	Definition	Motive for use
Gross margin excl. amortization	Gross profit (loss) excl. amortization of intangible assets divided by net sales	The group uses the alternative performance measure gross margin excluding amortization because it illustrates the impact of amortization of capitalized development expenditure on gross margin.
Operating profit excluding depreciation	Earnings before interest and taxes excluding depreciation of intangible assets	The group uses the alternative key ratio Operating profit excluding depreciation as it shows how much impact depreciation of capitalized development costs has on operating profit.
Equity/assets ratio	Closing equity in the period divided by closing total assets in the period	The group uses the alternative performance measure equity/assets ratio because it illustrates the portion of the total assets that consist of equity, and has been included so investors will be able to assess the group's capital structure.

Not 8 Stock Options

Employee stock option program 2020/2023

The Extraordinary General Meeting on July 2, 2020 resolved on a program comprising 100,000 employee stock options. The program is aimed at a senior executive and was awarded free of charge in July 2020. Allotted employee stock options are earned over three years as follows: 20% of allotted employee stock options are vested on 1 July 2021; 20% of allotted employee stock options are vested on 1 July 2022; and 60% of allotted employee stock options will be vested on July 1, 2023. Provided that earnings and continued employment in the company are maintained, each option may be exercised for subscription of shares during the period 1 July 2023 to 30 September 2023. The subscription price is set at SEK 24.70, which corresponds to 125% of the volume-weighted average price paid for the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of the general meeting's resolution.

Employee Stock Option Program 2020/2024

The Extraordinary General Meeting on 2 July 2020 also resolved on a program comprising 1,100,000 options. Employee stock options shall be offered and allotted to employees of the Company based on the participants' individual performance during an evaluation period that shall last until 31 December 2020 (the "Evaluation Period").

Allotted employee stock options are earned over three years as follows: 20% of allotted employee stock options are vested on February 1, 2022; 20% of allotted employee stock options are vested on February 1, 2023; and 60% of allotted employee stock options will be vested on February 1, 2024. Participants may exercise allotted and earned employee stock options during the period 1 February 2024 to 30 April 2024.

The subscription price is set at SEK 24.70, which corresponds to 125% of the volume-weighted average price of the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of the general meeting's resolution.

A total of 840,000 of these 1,100,000 options were allotted in February 2021 and the allocation is as follows: CEO: 100,000 employee stock options; members of the Management Team in total: 500,000 employee stock options (maximum individual allotment 90,000); other employees: 240,000 (maximum individual allocation 30,000). The market value at the time of allotment was SEK 4.70 per option.

Employee Stock Option Program 2021/2025

The Annual General Meeting on May 11, 2021 resolved on an additional employee stock option program comprising 456,050 options. These employee stock options shall be offered and allotted to employees - except the CEO or those who are part of the Company's management team - based on the participants' individual performance during an evaluation period that shall last until 31 December 2021 (the "Evaluation Period"). The evaluation and subsequent allotment of employee stock options will be decided by the Company's CEO no later than February 2022. However, allocation may take place earlier or later following a special decision to that effect by the Board of Directors. The maximum number of employee stock options to be allotted to participants is 50,000 employee stock options per person.

Allotted employee stock options are earned for three years as follows: 20% of allotted employee stock options are vested on February 1, 2023; 20% of allotted employee stock options will be vested on February 1, 2024; and 60% of allotted employee stock options will be vested on February 1, 2025. Participants may exercise allotted and earned employee stock options during the period 1 February 2025 to 30 April 2025.

The subscription price shall be calculated at the equivalent of 125 % of the volume-weighted average price of the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of allotment.

Dilution from the Stock option programs

In total, the Group's three employee stock option programs comprise 1,656,050 options, which at full exercise means a dilution of 2.5%. If the 400,000 warrants allotted to the CEO are included in the calculation, this means a total dilution from all warrant programs of 3.2%. This is provided that all options are exercised, including the employee stock options that have not yet been allotted.