

22% sales growth in the quarter

- Fourth quarter in a row with growth

1 January-31 March

- Net sales reached SEK 5,6 (4,6) million
- Loss after taxes SEK -3,2 (-2,1) million
- Earnings per share were SEK -0,06 SEK (-0,04)
- Cash and equivalents were 6,3 (7,9) million

Significant events during period

- CE-mark for the new platform Eagle obtained
- Patent that include the Schelin Catheter is approved
- An agreement with a new clinic in Stockholm was signed
- An agreement with a new clinic in Karlshamn was signed
- Agreement with SLG Kalmar is signed with an order value of SEK 2,4 million

Significant events after the end of the period

- Distribution agreement for Poland was signed
- Schelin Catheter® approved for sale in the province of Hainan in China
- The board decided on May 17th 2023 to carry out a rights issue of approx. 40 MSEK before issue costs

Key figures

| (SEK MILLION) | jan-mar 2023 | jan-mar 2022 | jan-mar 2021 | jan-mar 2020 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 5,6 | 4,6 | 5,3 | 4,6 |
| Gross margin, % | 68 | 81 | 83 | 72 |
| Operating profit/loss | -3,2 | -2,1 | -1,2 | -1,6 |
| Cash flow from operating activities | -5,5 | -5,1 | -2,2 | 1,4 |
| Average number of employees | 9 | 7 | 7 | 5 |

”The first quarter of the year was characterized by the same intensity as 2022. We began the year with continued growth and reported the highest turnover ever during a quarter”

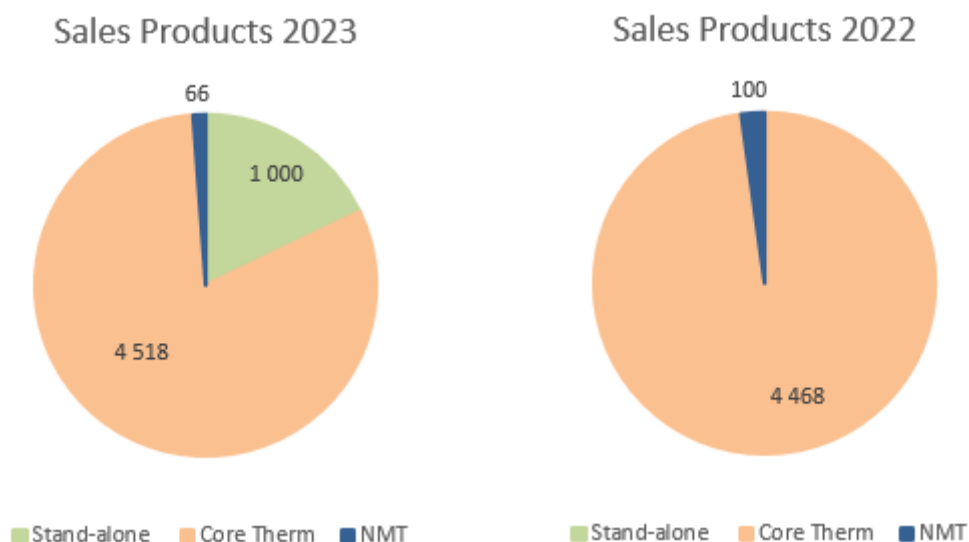
Johan Wennerholm
CEO, ProstaLund AB (publ)

CEO statement

The first quarter of the year was characterized by the same intensity as 2022. We started the year with continued growth and reported the highest turnover ever during a quarter. It is also the fourth quarter in a row that, in terms of turnover, we beat the comparison quarter. Turnover in the quarter increased by 22 percent compared to the previous year. A large part of the growth comes from new successes with our stand-alone products Schelin Catheter® and CoreFlow Soft Stent. At the same time, we have had success in the Nordics and have agreed with two more private clinics that will start up with CoreTherm® treatments. The fact that we now work in parallel with two separate sources of income means that we will be less dependent on individual customer orders in the future compared to before. That the gross margin has decreased is partly due to higher prices, the strong US dollar, but also to increased distributor sales. In the Nordic region, during the quarter we greatly expanded our marketing directly to patients, which can be seen on the cost side. Our assessment is that the results of this investment will show in the coming quarters.

Sales in the Nordics

The quarter was stable. We invoiced CoreTherm treatments for approximately SEK 4.5 million, which is at the same level as last year's Q1 (SEK 4.5 million). Incredibly, we landed on exactly the same number, 336, that we delivered last year. What was pleasing during the quarter was that two more private clinics will start CoreTherm treatments; Sergelkliniken in Stockholm and Carlshamn's Specialist Clinic. In addition to these, we have signed a new agreement with Specialistläkargruppen in Kalmar, SLG Kalmar AB for an order value of at least SEK 2.4 million over 12 months.



Sales outside the Nordic countries

The interest in our stand-alone products is great and we have started to reap the first fruits of our labor after the launch. The sales of these products in the first quarter amount to 18 percent of our total turnover and are very much the volumes that our distribution agreements stipulate.

The strategy of using these products to establish ourselves in new markets has so far been very successful. The great interest in the Schelin Catheter® is due to the fact that doctors can replace, among other things, full anesthesia and also remedy the shortage of anesthesia personnel. The time from presentation of the products to a first clinical evaluation is significantly shorter, involves less bureaucracy and sales effort, and means that we can get sales significantly faster than when selling CoreTherm®. Until today, we have only received positive reactions when urologists around Europe have tested the Schelin Catheter®.

Over the past nine months, we have created an invaluable network of contacts among some of Europe's leading opinion-forming urologists. This contact network was non-existent for the company as recently as a year ago. Now it is extremely important for us to nurture these while getting them curious and interested in our new flagship, the CoreTherm® Eagle, while capitalizing on the interest that exists in the Schelin Catheter® and CoreFlow Soft Stent.

Study on Schelin

In January, the study "Use of a Schelin Catheter® for analgesia during Rezum treatment of the prostate" was published in the journal Prostate Cancer and Prostatic Diseases. The Italian urologists Giampaolo Siena, Francesco Sessa and Luca Cindolo have evaluated the use of ProstaLund's Schelin Catheter® before steam treatment. The study showed that with the help of the Schelin Catheter®, the urologists simplified the process of steam treatment through the possibility of administering local anesthesia in the prostate in a simple and sterile way.

The new platform

After six years of development work, in February ProstaLund received CE marking, based on the EU's new medical technology regulations MDR, for the new platform CoreTherm® Eagle. It was presented at the EAU European Urology Meeting in Milan in early March. To be able to present our technology in a forum with 9000 participants and to see that there is a great interest among urologists around Europe is extremely gratifying. We expect to begin the launch and deployment in the Nordics during Q3 2023.

Patent in Sweden

During the quarter, we received information that the company's patent application for a kit consisting of the company's product Schelin Catheter® together with anesthetic, BOTOX®* or penicillin has been approved by the Swedish Patent and Registration Office (PRV). This means that we have patent protection until 2041 for the product.

The future

What we now see is a result of the work that has been carried out in recent years to get everything in place. We are now in a position where we are a multi-product company with unique products in male urology. After approaching Europe a little gently in the last nine months, we are now taking the next step in this development and investing in getting our products launched in all markets in Europe. The rights issue that the board decided on will be used to expand the business in Europe and on other markets that are interesting in the coming years.

We are from Lund - ProstaLund.

Johan Wennerholm
CEO

Financial information

Company information

ProstaLund AB (publ), corporate identity 556745-3245, with its registered head office in Lund is the parent company of the ProstaLund Group. The address of the head office is Scheelevägen 19, 223 70 Lund. Wholly owned subsidiaries are Nordisk Medicin & Teknik AB and CoreTherm®Medical Inc (USA).

Shares

ProstaLund is listed on the Nasdaq First North Growth Market. The company is traded under the ticker name PLUN and the ISIN code SE0002372318. Certified Adviser is Västra Hamnen Corporate Finance AB.

The number of shares at the end of the period was 57 193 154 and the quota value was SEK 0.1 per share. All shares are of the same type and have the same voting rights.

Scope of the report

This year-end report covers the period from 1 January 2023 to 31 March 2023. The comparative information in the report refers to the corresponding period in 2022, unless otherwise stated. All information in the report refers to the ProstaLund Group, unless it is explicitly stated that the information refers to the parent company ProstaLund AB (publ).

Sales and earnings

Net sales came in at SEK 5,584 (4,568) thousand, which was a 22 percent increase compared with the same period last year. The change is due to the company's increase in sales outside the Nordics. The operating loss was SEK -3,175 (-2,137) thousand. The increased loss is due to increased manufacturing costs, currency, transport costs and increased sales costs in connection with the launch outside the Nordics. Loss after tax came in at SEK -3,216 (-2,141) thousand.

Investments

Investments in property, plant & equipment amounted to SEK 0 (50) thousand. Investments in intangible assets amounted to SEK 315 (3,093) thousand. Investments in intangible fixed assets mainly relate to the company's new platform. No investments in financial assets were made during the quarter this year or the previous year.

Financial position and financing

Cash flow from operating activities amounted to SEK

-5,511 (-5,083) thousand. The change is largely due to the Company's need to build up a stock to secure access to raw material and long lead times. Cash and cash equivalents at the end of the period amounted to SEK 6,349 (7,913) thousand. Equity amounted to SEK 38,651 (32,977) thousand and the equity / assets ratio was 84 (78) percent.

The company has agreed on a loan from ALMI of SEK 2 million. The loan from ALMI runs for 60 months. Market interest has been debited for the quarter.

Organization

The number of people employed was 9 (7) at the end of the period. The employees included 6 (4) women and 3 (3) men. The average number of employees was 9. The number of consultants was 5.

Research and development

Development work is conducted in-house in collaboration with technical consultants and external clinics. The development work is focused on new development and further refinement of the current product portfolio.

Insurance

ProstaLund has a standard corporate insurance which also includes product liability. The insurance is subject to ongoing review. The Board of Directors assesses that the corporate insurance is adapted to the current scope of operations.

Disputes

ProstaLund is not a party in any legal disputes or arbitrations. The Board of Directors is not aware of any circumstances that could lead to any such legal processes being imminent.

Risk factors

ProstaLund is affected by a number of risks whose effects could have a negative impact on its future, earnings or financial position. The latest annual report, which is available on the company's website www.prostalund.se, contains a description of the risk factors. The risk factors that are judged to be of the greatest importance are listed below, in no particular order:

- Depending on financing
- Depending on key personnel
- Regulatory approvals
- Product liability
- Currency risk
- Competition
- Disputes
- Changes in legislation

Prerequisites for continued operation

This financial information has been prepared based on the assumption of continued operations. The company has historically reported losses. In preparing the report, management has based its assumptions on existing cash and cash equivalents, increased sales and the possibility of other financing. When estimating future expenses, management has taken into account that certain expenses are under management's control and can thus be eliminated or postponed to the future. Management is aware that there are uncertainties in the estimation of future cash flows as well as uncertainties in the financing of operations. If the Group for some reason can't continue to operate, it may affect the Group's ability to realize the assets carrying amounts, especially related to capitalized expenses for development work, and to pay debts at a normal rate and to the amounts included in the Group's interim report.

Decision on new issue

The board of ProstaLund AB (publ) has decided on 17 May 2023 to carry out a new issue of a maximum of 22,877,262 shares at a subscription price of SEK 1.75 per share with preferential rights for ProstaLund's shareholders. The decision was made with the support of authorization from the annual general meeting on May 4, 2023. The rights issue will bring the Company a maximum of approximately SEK 40.0 million before deductions for transaction costs.

The net proceeds from the Rights Issue are intended to be used for the following purposes:

- Marketing of the CoreTherm® platform and disposable products.
- Clinical studies in connection with registration of products in new markets.
- Working capital for expansion and development of the business.

Valuation of intangible assets

The reported capitalized expenses for development work are subject to management's impairment test. The most critical assumption, evaluated by management, relates to whether the intangible asset is expected to generate future economic benefits, which at least correspond to the carrying amount of the intangible asset. Management's assessment is that the expected future cash flows are sufficient to justify the carrying amount of the intangible asset, which is why no write-down has been made. However, the valuation is based on and dependent on the conditions for continued operation.

Remuneration policy

The guiding principle is that ProstaLund will offer its management and key personnel competitive remuneration based on the market situation, the company's performance, and individual performance. The design of the remuneration policy shall ensure that the management and key personnel and the shareholders have common goals.

Annual report

The annual report for 2022 was published on April 4th 2023. The annual report is available on the company's website www.prostalund.se.

Annual General Meeting

The Annual General Meeting for 2022 was held on May 4th 2023 kl.14:00 in Lund. See the Company's website.

Upcoming financial information

- 2023-07-14 Interim report Apr-Jun 2023
- 2023-10-25 Interim report Jul-Sep 2023
- 2024-02-16 Year-end report 2023

Accounting policies

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice. Accounting principles and calculation methods applied are in accordance with the accounting principles used in the preparation of the most recent annual report.

Audit

This report has not been subject to review by the company's auditors.

The Board and the CEO assure that the interim report provides a fair overview of the group's and the parent company's operations, position and results, and describes significant risks and uncertainty factors that the parent company and the other companies that are part of the group face.

ProstaLund AB (publ)
Lund, May 17th, 2023

The Board of Directors & CEO

FOR QUESTIONS ABOUT THIS REPORT, PLEASE CONTACT:

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PUBLICATION

This information is information that ProstaLund AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 a.m. CET May 17th 2023.

ADDRESS

ProstaLund AB
Scheelevägen 19
SE-223 70 Lund

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Certified Advisor is Västra Hamnen Corporate Finance AB.

Consolidated Income Statement in Summary

| All amounts in SEK thousand | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|---|---------------|---------------|----------------|
| Operating income | | | |
| Net sales | 5 584 | 4 568 | 17 411 |
| Cost of goods sold | -1 789 | -857 | -4 538 |
| Gross profit | 3 795 | 3 711 | 12 873 |
| Sales & Marketing expenses | -4 170 | -3 618 | -14 288 |
| Administrative expenses | -1 706 | -1 174 | -5 513 |
| Research and development costs | -1 094 | -1 056 | -4 000 |
| Other operating income | - | - | 393 |
| Capitalized development expenditure | - | - | -358 |
| Operating profit/loss | -3 175 | -2 137 | -10 893 |
| Profit/loss from financial items | | | |
| Interest income and similar profit/loss items | - | - | 2 |
| Interest expenses and similar profit/loss items | -41 | -4 | -207 |
| Profit/loss after financial items | -3 216 | -2 141 | -11 098 |
| Tax expenses | - | - | - |
| Profit/loss for the period | -3 216 | -2 141 | -11 098 |
| Share attributable to parent company shareholders | -3 216 | -2 141 | -11 098 |

| Per share data | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|---|--------------|--------------|--------------|
| Earnings per share, SEK (basic and diluted) | -0,06 | -0,04 | -0,21 |
| Equity per share, SEK | 0,67 | 0,64 | 0,73 |
| Equity-asset ratio, % | 84% | 78% | 82% |
| Number of outstanding shares | 57 193 154 | 51 525 365 | 57 193 154 |
| Average number of outstanding shares | 57 193 154 | 51 525 365 | 53 886 944 |

Definitions of financial ratios

Earnings per share. Profit/loss for the period divided by average weighted number of shares

Equity-asset ratio. Equity divided by total assets.

Equity per share. Equity divided by number of shares at the end of the period.

Quarterly financial performance

| All amounts in SEK thousand | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 5 584 | 5 550 | 3 773 | 3 520 | 4 568 | 4 933 | 3 690 |
| Gross profit/loss | 3 795 | 3 902 | 2 791 | 2 469 | 3 711 | 4 306 | 3 044 |
| Gross margin in % | 68% | 70% | 74% | 70% | 81% | 87% | 82% |
| Overhead costs | -6 970 | -7 334 | -4 687 | -5 932 | -5 848 | -6 536 | -4 679 |
| Operating profit/loss | -3 175 | -3 144 | -1 987 | -3 625 | -2 137 | -2 228 | -1 699 |
| Profit/loss for the period | -3 216 | -3 133 | -2 117 | -3 707 | -2 141 | -2 233 | -1 707 |
| Cash flow | -5 926 | -3 666 | 11 568 | -3 540 | -5 326 | -3 464 | 13 942 |

Every care has been taken in the translation of this Financial Report. In the event of discrepancies, the Swedish original will supersede the English translation.

Consolidated Balance Sheet in Summary

| All amounts in SEK thousand | 2022-03-31 | 2021-03-31 | 2021-12-31 | 2021-12-31 |
|--|---------------|---------------|---------------|---------------|
| Assets | | | | |
| Intangible assets | 25 227 | 23 495 | 24 934 | 24 934 |
| Property, plant & equipment | 381 | 425 | 419 | 419 |
| Inventories | 11 038 | 6 045 | 9 187 | 9 187 |
| Trade receivables | 1 541 | 2 883 | 2 816 | 2 816 |
| Other receivables | 1 115 | 1 519 | 1 412 | 1 412 |
| Cash and cash equivalents | 6 349 | 7 913 | 12 275 | 12 275 |
| Total assets | 45 651 | 42 280 | 51 043 | 51 043 |
| Equity and liabilities | | | | |
| Equity | 38 460 | 32 977 | 41 686 | 41 686 |
| Interest-bearing liabilities, longterm | 1 233 | 0 | 1 333 | 1 333 |
| Current interest-bearing liabilities | 400 | 3 100 | 400 | 400 |
| Trade payables | 4 099 | 4 365 | 6 298 | 6 298 |
| Other liabilities | 1 459 | 1 838 | 1 326 | 1 326 |
| Total equity and liabilities | 45 651 | 42 280 | 51 043 | 51 043 |

Consolidated statement of changes in equity

| All amounts in SEK thousand | 2023-03-31 | 2022-03-31 | 2022-12-31 | 2022-12-31 |
|---|---------------|---------------|---------------|---------------|
| Opening balance | 41 686 | 35 456 | 35 456 | 35 456 |
| New share issues | - | - | 19 837 | 19 837 |
| Costs of new share issues | - | - | -1 378 | -1 378 |
| Profit/loss for the period | -3 216 | -2 141 | -11 098 | -11 098 |
| Other comprehensive income for the period | 181 | -338 | -1 131 | -1 131 |
| Closing balance | 38 651 | 32 977 | 41 686 | 41 686 |

Cash Flow Analysis in Summary

| All amounts in SEK thousand | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|--|---------------|---------------|----------------|
| Profit/loss after financial items | -3 216 | -2 141 | -11 098 |
| Adjustments for non-cash items | 50 | -295 | -910 |
| Tax paid | - | - | - |
| Cash flow from operating activities before changes in working capital | -3 166 | -2 436 | -12 008 |
| Changes in working capital | -2 345 | -2 647 | -4 194 |
| Cash flow from operating activities | -5 511 | -5 083 | -16 202 |
| Capitalization of development expenditure | -315 | -3 093 | -4 607 |
| Acquisition/disposal of property, plant & equipment | - | -50 | -147 |
| Förvärv/Avyttring av finansiella anläggningstillgångar | - | - | - |
| Cash flow from investing activities | -315 | -3 143 | -4 754 |
| New share issue | - | - | 19 837 |
| Transaction costs attributable to new share issue | - | - | -1 378 |
| Change in bank overdraft facilities | 0 | 3 000 | 5 000 |
| Change in bank overdraft facilities | -100 | -100 | -3 467 |
| Cash flow from financing activities | -100 | 2 900 | 19 992 |
| Total cash flow for the period | -5 926 | -5 326 | -964 |
| Cash and cash equivalents at start of period | 12 275 | 13 239 | 13 239 |
| Cash and cash equivalents at end of period | 6 349 | 7 913 | 12 275 |

Income Statement - Parent Company

| All amounts in SEK thousand | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|---|---------------|---------------|----------------|
| Operating income | | | |
| Net sales | 5 518 | 4 468 | 17 179 |
| Cost of goods sold | -1 755 | -831 | -4 430 |
| Gross profit | 3 763 | 3 637 | 12 749 |
| Sales & Marketing expenses | -4 106 | -3 579 | -14 253 |
| Administrative expenses | -1 706 | -1 174 | -5 513 |
| Research and development costs | -1 094 | -1 056 | -4 000 |
| Other operating income | - | - | 433 |
| Capitalized development expenditure | - | - | -358 |
| Operating profit/loss | -3 143 | -2 172 | -10 942 |
| Profit/loss from financial items | | | |
| Interest income and similar profit/loss items | 1 | - | 2 |
| Interest expenses and similar profit/loss items | -41 | -4 | -1 562 |
| Profit/loss after financial items | -3 183 | -2 176 | -12 502 |
| Tax expenses | - | - | - |
| Profit/loss for the period | -3 183 | -2 176 | -12 502 |

Balance Sheet - Parent Company

| All amounts in SEK thousand | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|--|---------------|---------------|---------------|
| Assets | | | |
| Intangible assets | 25 227 | 23 495 | 24 934 |
| Property, plant & equipment | 381 | 425 | 419 |
| Financial assets | 464 | 464 | 464 |
| Inventories | 10 979 | 5 982 | 9 170 |
| Trade receivables | 1 515 | 2 803 | 2 816 |
| Receivables from group companies | 62 | 0 | 0 |
| Other receivables | 1 124 | 2 481 | 1 408 |
| Cash and bank balances | 5 932 | 7 761 | 11 862 |
| Total assets | 45 684 | 43 411 | 51 073 |
| Equity and liabilities | | | |
| Equity | 38 500 | 33 551 | 41 684 |
| Interest-bearing liabilities, longterm | 1 233 | 0 | 1 333 |
| Current interest-bearing liabilities | 400 | 3 100 | 400 |
| Liabilities to group companies | 0 | 0 | 64 |
| Trade payables | 4 058 | 5 297 | 6 295 |
| Other liabilities | 1 493 | 1 463 | 1 297 |
| Total equity and liabilities | 45 684 | 43 411 | 51 073 |