

PMDS preliminary P&L results ahead of Q2 Interim Report

Financial information April - June 2024 (figures in brackets relate to the same period in Q2 2023). These are preliminary results of the P&L statement; the final results will be published in the Q2 Interim report on on August 22nd.

- **Consolidated net sales increased by 30.9%**, which is in line with expectations at kSEK 12,354 (9,440), which was contributed by the acquired US company.
- **Operating expenses** increased temporarily and amounted to kSEK 17,582 (Q2 2023: 10,916). The increase is related to the restructuring of the acquired US operation and is mainly non-recurring.
- **The gross margin** was 77% (79.5%), a decrease from the US cost of goods sold.

Following the acquisition of the US Remote Patient Monitoring (RPM) business in April, PMDS continues to evolve and adapt to become a key player within Digital Healthcare, underpinned by propitiatory medical device innovations.

On 25 June, PMDS updated the company's financial targets, increasing the annual recurring revenue (ARR) target from 100m SEK to 260m SEK by year-end 2026. The update also reaffirmed that PMDS expects its operations to be cashflow positive by year-end 2024. Today, PMDS reiterates these financial targets and provides a backdrop to the financials in its upcoming Q2 report.

"We have accomplished a swift integration of the acquired US company, reshaping its operational model and commercial strategy. Operational running costs have been reduced by over 80%, and customer accounts have been reduced to focus the business on those key accounts that will result in the company reaching profitability in 2024.

Restructuring costs associated with the acquisition have meant that the expenses for the second quarter were larger than expected. The main part of these costs is of a non-recurring nature. We have decided to book those costs as early as possible in order not to create a muddled picture of the business from now on, and for the real running costs, at a considerably lower level, to be reflected in the company's financials as we advance," commented Founder and CEO Myles Murray.

"When releasing the updated financial targets, PMDS stated that the number of active monthly patients had increased to 1,400, with a compliance of 70%, and the current business has a cashflow break-even point of 2,300 monthly patients. Today, we realise that it is possible to reach a positive cashflow with a smaller number of patients as a result of the new operational model. We expect US sales to increase with the new, healthy, restructured business. Furthermore, the company's European business is growing in line with expectations," he continued.

"We are achieving our priorities for this year, and the forthcoming rights issue is an important prerequisite to support an extended growth period for PMDS. As we continue to grow, our focus remains on expanding our market presence in the US, the UK, and Germany.

We continue to work towards our target of achieving significant ARR and having a positive cash flow by year-end 2024," Myles Murray concluded.

This information is information that PMD Device Solutions is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-08-15 17:30 CEST.

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The Company's Certified Adviser is Redeye.

Information about PMDS

PMD Device Solutions AB develops and sells medical products for respiratory monitoring in both the hospital acute monitoring sector and the remote monitoring homecare sector. Its primary product is RespiraSense, a solution used for monitoring respiratory rate to support the detection of patient deterioration early and to avoid preventable respiratory failure and adverse patient outcomes. RespiraSense is, to the Company's knowledge, the world's only continuous, motion-tolerant respiratory rate monitor delivering class-leading reliability in measuring respiratory rate. RespiraSense is a novel technology that is commercialised in Europe, the UK, and FDA cleared in the US. The company's shares are listed on Nasdaq First North Growth Market (STO: PMDS).

Attachments

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