



PROSTALUND AB

Interim Report January-March 2024

World-class products improving the lives and futures of men with prostate problems

"Despite a weaker quarter in terms of sales, we are positive about the underlying treatments and needs of our customers and the continued interest in our stand-alone products from an international perspective"

Lund, May 16, 2024
Anders Kristensson, CEO

First quarter

January 1 - March 31

- Net sales reached SEK 3,5 (5,5) million
- Operating profit/loss totaled SEK -4,7 million (-3,1) million
- Loss after taxes SEK -4,8 (-3,1) million
- Earnings per share, SEK (basic and diluted) amounted to SEK -0,06 (-0,06)
- Cash flow from operating activities amounted to SEK -6,6 (-5,5) million
- Cash and cash equivalents amounted to SEK 6,9 (5,9) million as per March 31, 2024

Significant events during the period

- New management team appointed on February 15
- Schelin Catheters – new study published on February 27

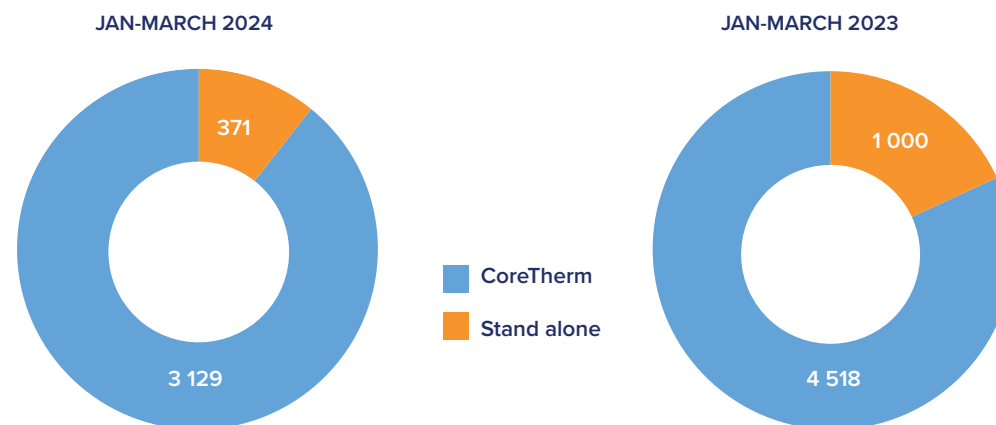
Significant events after the end of the period

- Two new studies with ProstaLund's Schelin Catheter® presented at the EAU in Paris on April 8
- Positive results from unannounced inspection by TÜV SÜD conducted on April 9-10
- ProstaLund and Capio Specialistcenter AB signed a new agreement regarding disposable materials used in CoreTherm® treatments. The agreement is over 12 months, with an option to extend. The order value is approximately SEK 1,3 million over the contract period. The agreement replaces the previous agreement with Capio Specialistcenter AB.
- Prostalund informed on May 16 that the Board of Directors intends to decide on a rights issue of units for an initial issue amount of around 29 MSEK

Key figures

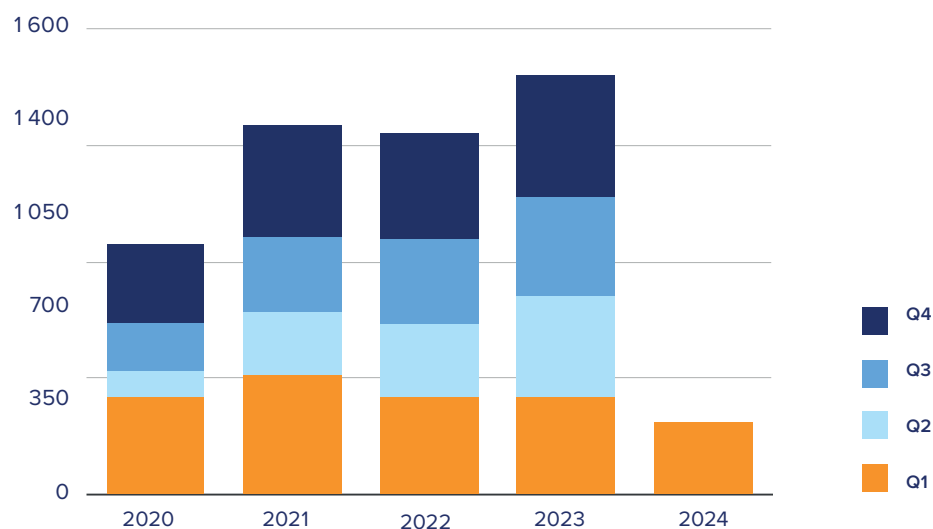
(SEK MILLION)	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023	JAN-DEC 2022
Net sales	3,5	5,5	22,1	17,2
Gross Margin, %	69,7	68,2	70,1	74,2
Operating profit/loss, EBIT	-4,7	-3,1	-16,9	-10,9
Cash flow from operating activities	-6,6	-5,5	-23,7	-16,4
Cash and cash equivalents	6,9	5,9	15,0	11,9
Average number of employees	6	7	8	8

Sales distributed by category (SEKt)

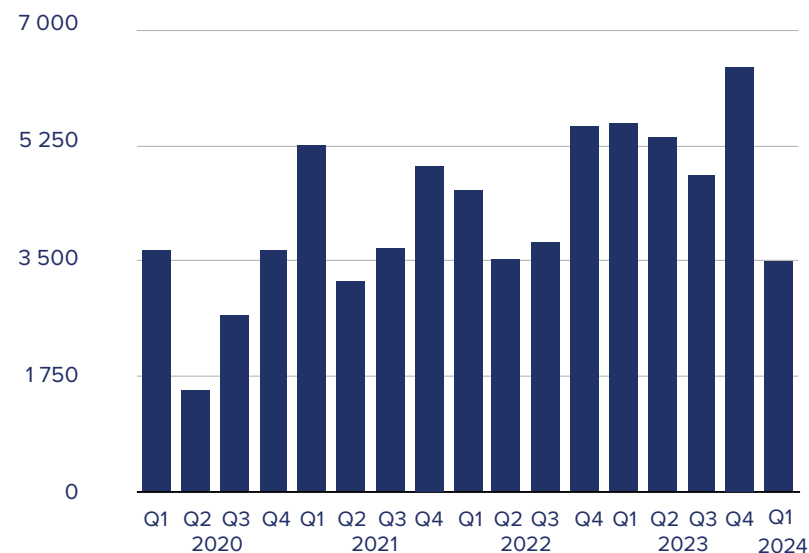


Overview of the company's development

Number of CoreTherm® treatments sold in the Nordic region 2020-2024



Sales development per quarter, 2020-2024 (SEKt)



Quarterly financial performance

All amounts in SEK thousand	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net sales	3 500	6 418	4 791	5 335	5 518	5 550
Gross profit/loss	2 440	4 718	3 507	3 602	3 763	3 902
Gross margin (%)	70%	74%	73%	68%	68%	70%
Overhead costs	-7 180	-8 454	-9 570	-7 260	-6 906	-7 404
Operating profit/loss	-4 732	-3 461	-6 231	-4 022	-3 143	-3 174
Profit/loss for the period	-4 759	-3 489	-6 270	-4 074	-3 183	-4 566
Cash flow	-8 075	-7 527	-11 516	28 130	-5 930	-3 750

CEO update

The first quarter of the year was characterised by a lower sales volume compared to the previous quarter, largely due to inventory build-up at a couple of our major customers and the effect of the organisational change that took place in the fall of 2023, as well as some lapses in customer processing.

We are now working on re-establishing continuous customer processing, reviewing agreements entered into and renewals, and driving treatment development with both existing and new customers. Despite a weaker quarter in terms of sales, we feel positive about the underlying treatments and needs of our customers and the continued interest in our stand-alone products from an international perspective.

Sales in the Nordic region

Sales in the first quarter of the year were not in line with our internally set targets. During the quarter, we invoiced SEK 3,1 million compared to SEK 4,5 million in Q1 2023. One reason for the reduced order intake was that some of our major Swedish customers had large inventories they wanted to reduce before placing new orders. In Denmark, a major customer placed a large order during the previous quarter, which covered their needs for the first quarter of the year. However, we are pleased to see that the decline in sales does not correspond to a decline in actual utilisation by our largest customers.

Sales outside the Nordic region

Interest in our stand-alone products remains high, and a number of clinics are starting to place recurring orders. Sales of these products in the first quarter amounted to 10% of our total sales and come from both distributor markets and markets where we sell directly to end customers. Our Schelin Catheter® has attracted great interest from leading urologists around the world. We see the highest sales growth in Italy, France, the Netherlands and Brazil.

One of the major benefits of using the Schelin Catheter® for minimally invasive BPE treatments is that anaesthesia/sedation can be avoided/reduced, leading to lower risk for the patient and shorter treatment times. The treatment can also be moved from the operating theater to urology clinics.

Over the past 12 months, we have built an invaluable network of contacts among some of the world's leading opinion leaders in urology. Our focus going forward is to nurture these relationships and create long-term collaborations that also give us an opportunity to increase interest in our upcoming flagship, CoreTherm® Eagle.



Lund May 16, 2024
Anders Kristensson
CEO

Financial information

Net sales and profit/loss

Net sales amounted to SEK 3,501 (5,518) thousand during the first quarter, which was a 36,6 percent decrease compared to the same period last year. The reason for the lower sales in the period is partly related to an inventory buildup at our customers in the fourth quarter of 2023 and partly because during the same period last year, we had new business volumes to a number of distributors.

The gross margin was strengthened during the quarter and amounted to 69,7% (68,2).

The operating loss for the first quarter amounted to SEK -4,732 (-3,143) thousand.

The decline in earnings during the quarter is mainly due to lower sales volumes, but higher administrative costs also have had a negative impact.

Loss after tax amounted to SEK -4,759 (-3,183) thousand.

Investments

Investments in property, plant & equipment amounted to SEK 0 (0) thousand for the first quarter. Investments in intangible assets amounted to SEK 1,364 (315) thousand, which mainly relates to the company's new platform, CoreTherm® Eagle.

Financial position and financing

Cash flow from current operations for the first quarter amounted to SEK -6,611 (-5,115) thousand.

Equity amounted to SEK 50,530 (38,501) thousand, and the equity ratio amounted to 88 (84) percent.

Cash and cash equivalents at the end of the period amounted to SEK 6,944 (5,932) thousand.

Organisation

The number of people employed was six (seven) at the end of the period. The employees included four (five) women and two (two) men. The average number of employees was eight. The number of consultants was eight.

As earlier communicated, two new employees will start during the second quarter. In connection with this, some interim consultants will be phased out.

The process of merging Nordisk Medicin & Teknik AB with ProstaLund AB has begun, in order to simplify the structure and reduce costs.

Research and development

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

Insurance

ProstaLund has common corporate insurance, which also includes product liability.

The insurance is subject to ongoing review. The Board of Directors has determined 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 and prospectus, which is available at 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:

- Dependence on financing
- Dependence 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.

There are uncertainties that could lead to significant doubts to continuing operations if the assumptions above are not fulfilled.

The management and the Board of Directors are aware that there are uncertainties in the estimation of future cash flows as well as uncertainties in the financing of operations. The current assessment is that the conditions for positive development over time are good and that new financing of the company would be possible if needed. If the Group for some reason can't continue to operate, it may affect the Group's ability to realize the carrying

amount of the assets, especially related to capitalized expenses for development work, and to pay debts at a normal rate and in the amounts included in the Group's interim report.

Royalty agreement

The company has previously entered into a royalty agreement with Schelin Medicin AB regarding the rights to the products Coreflow® Soft Stent and the Schelin Catheter®. The agreement states that 2 percent of the invoiced amount for these products must be paid in royalties to Schelin Medicin AB, provided that the company reports a profit and that a patent has been granted. The royalties can amount to a maximum of SEK 4 million per year and a maximum of SEK 20 million in total. The agreement shall cease to apply once SEK 20 million has been paid out to Schelin Medicin AB.

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 must correspond to the carrying amount of the intangible asset. Management has determined 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 management and key personnel and the shareholders have common goals.

Shares

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

The number of shares at the end of the period was 76,588,737. and the quota value was SEK 0.1 per share. All shares are of the same type and have the same voting rights.

Annual report

The annual report for 2023 was published on April 19, 2024. The annual report is available on the company's website, www.prostalund.se.

Annual General Meeting

The date for The Annual General Meeting 2024 is May 30th in Lund.

Financial calendar

- 2024-08-19 Interim report Apr-Jun 2024
- 2024-11-01 Interim report Jul-Sep 2024
- 2025-02-20 Year-end report 2024

Scope of the report

This year-end report covers the period from January 1, 2024 to March 31, 2024. The comparative information in the report refers to the corresponding period in 2023, unless otherwise stated. All information in the report refers to ProstaLund AB (publ). No consolidation of the wholly owned subsidiaries is performed since they are an insignificant part of the operations. For the full year 2023 the subsidiaries accounted for less than 1% of the total sales and profit.

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.

Assurance of the Board of Directors and Managing Director

The Board and the Managing Director assure that the interim report provides a fair overview of the company's operations, position and results, and describes significant risks and uncertainty factors that ProstaLund AB face.

Lund, May 16, 2024

Per Langö
Chairman of the Board

Tomas Eriksson
Board member

Paul de Potocki
Board member

Tom Rönnlund
Board member

Marianne Östlund
Board member

Annette Colin
Board member

Anders Kristensson
CEO

Shareholder information

For questions about this report, please contact:

Anders Kristensson CEO, ProstaLund AB (publ)

- Tel: +46 769-42 12 16
- E-mail: anders.kristensson@prostalund.com

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 named above, on May 16, 2024 at 08:00 a.m. CET.

Income Statement in Summary

All amounts in SEK thousand	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Operating income			
Net sales	3 500	5 518	22 206
Cost of goods sold	-1 060	-1 755	-6 472
Gross profit	2 440	3 763	15 590
Sales and Marketing expenses	-3 443	-4 106	-17 855
Administrative expenses	-2 666	-1 706	-9 316
Research and development costs	-1 071	-1 094	-5 019
Other operating income	258	-	669
Capitalized development expenditure	-250	-	-926
Operating profit/loss	-4 732	-3 143	-16 857
Profit/loss from financial items			
Interest oncome and similar profit/loss items	9	1	14
Interest expenses and similar profit/loss items	-36	-41	-173
Profit/loss for the period	-4 759	-3 184	-17 016
Tax expenses	-	-	-
Profit/loss for the period	-4 759	-3 184	-17 016

Per share data

SEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Earnings per share (basic and diluted)	-0,06	-0,06	-0,25
Equity per share	0,66	0,67	0,81
Equity-asset ratio, %	88%	84%	84%
Number of outstanding shares	76 588 737	57 193 154	76 588 737
Average number of outstanding shares	76 588 737	57 193 154	68 446 612

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.

Note: All figures above concerns the parent company ProstaLund AB (publ). For more info look at page 6 under Scope of the report.

Balance sheet in summary

All amounts in SEK thousand	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Assets			
Intangible assets	29 374	25 227	28 038
Property, plant and equipment	346	381	396
Financial assets	464	464	464
Inventories	15 957	10 979	16 955
Trade receivables	2 097	1 515	2 182
Receivables from group companies	-	62	-
Other receivables	2 000	1 124	2 504
Cash and cash equivalents	6 944	5 932	15 019
Total assets	57 182	45 684	65 558
Equity and liabilities			
Equity	50 530	38 501	55 289
Interest-bearing liabilities, longterm	833	1 233	933
Current interest-bearing liabilities	490	400	400
Liabilities to group companies	-	-	98
Trade payables	3 859	4 058	6 413
Other liabilities	1 560	1 492	2 425
Total equity and liabilities	57 182	45 684	65 558

Summary statement of changes in equity

All amounts in SEK thousand	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Opening balance	55 289	41 684	41 684
New share issues	-	-	33 942
Costs of new share issues	-	-	-3 321
Profit/loss for the period	-4 759	-3 184	-17 016
Closing balance	50 530	38 501	55 289

Note: All figures above concerns the parent company ProstaLund AB (publ). For more info look at page 6 under Scope of the report.

Cash flow analysis in summary

All amounts in SEK thousand	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Profit/loss after financial items	-4 759	-3 184	-17 016
Adjustments for non-cash items	78	60	265
Tax paid	-	-	-
Cash flow from operating activities before changes in working capital	-4 681	-3 124	-16 751
Changes in working capital	-1 930	-2 391	-6 967
Cash flow from operating activities	-6 611	-5 515	-23 718
Capitalisation of development expenditure	-1 364	-315	-3 200
Acquisition/disposal of property, plant and equipment	-	-	-146
Acquisition/disposal of financial fixed assets	-	-	-
Cash flow from investing activities	-1 364	-315	-3 346
New share issue	-	-	33 942
Transaction costs attributable to new share issue	-	-	-3 321
Change in bank overdraft facilities	-	-	1 000
Change in bank overdraft facilities	-100	-100	-1 400
Cash flow from financing activities	-100	-100	30 221
Total cash flow for the period	-8 075	-5 930	3 157
Cash and cash equivalents at start of period	15 019	11 862	11 862
Cash and cash equivalents at end of period	6 944	5 932	15 019

Note: All figures above concerns the parent company ProstaLund AB (publ). For more info look at page 6 under Scope of the report.

Business overview

The Company in brief

ProstaLund is a Swedish company with headquarters in Lund. The company's registration number is 556745-3245. ProstaLund is a Swedish public limited company that was registered at the Swedish Companies Registration Office on December 4, 2007. The Board has its registered head office in the municipality of Lund and operations are based in Sweden. The company's office address is Scheelevägen 19 in Lund with telephone number +46 46-12 09 08. The company's website is www.prostalund.se. The company is a reconciliation company and its share register is kept by Euroclear Sweden AB. In addition to ProstaLund, which is the parent company, the group includes the wholly owned subsidiaries Nordisk Medicin & Teknik AB ("NMT") and the American subsidiary CoreTherm® Medical Inc. ("CMI").

Introduction to the Company's operations

The company develops, markets and sells products in urology. The majority of the sales are made through recurring sales of disposable catheters and other accessories that are used together with the Company's platform in the treatment of BPH/BPE.

The company has a treatment concept (CoreTherm® Concept) for individually adapted heat treatment for benign prostate enlargement, also called BPE or BPH, which mainly affects men over 50 years of age.

In recent years, the company has developed a new platform, CoreTherm® Eagle, which received market approval through a CE marking based on the EU's medical technology regulations (MDR) in February 2023.

The platform now has, among other things, a built-in computer, temperature reading in real time, storage of patient data and built-in recommendations for treating doctors. The company believes that CoreTherm® Concept constitutes one of the market's best treatments against BPH/

BPE with regards to parameters such as treatment results, possibility to treat regardless of prostate size, retreatment frequency, treatment time, fewer complications compared to surgical intervention, learning time for doctors and cost of a treatment. CoreTherm® Concept consists of several patented and unique inventions where the machine's treatment control is based on 25 years of research and clinical experience.

At the same time, the Company has two independent products, Schelin Catheter® and CoreFlow® Soft Stent, which were launched in Europe in September 2022 with very good results. These products have shown strong growth for the full year 2023 compared to the previous year and their share of the Company's total sales now corresponds to 15%. It is the Company's opinion that the products are unique because there are no similar products on the market as a result of the Company holding patents for both products in the markets in which the Company operates.

The company's product range is CoreTherm® Concept, which consists of anesthetic catheters (Schelin Catheter®), treatment catheters (CoreTherm® Catheter) and aftercare catheters (CoreFlow® Soft Stent).

Schelin Catheter® and CoreFlow® Soft Stent are also sold for use in other treatment methods outside of the CoreTherm® Concept. The company also sells the urine flow meter Oruflow.



CoreTherm® Catheter



CoreFlow® Soft Stent

CoreTherm® Concept – Treatment concept

CoreTherm® Concept is a patented and individually adapted treatment concept of BPH/BPE through heat. CoreTherm® Concept is used today primarily in public hospitals and private clinics in the Nordics region. In 2023, the company had approximately 20 percent market share of the treatments performed in Sweden. The treatment is evidence-based and has the same end result as surgery¹.

The concept has a number of advantages:

- The size of the prostate does not limit the method
- The treatment is performed under local anesthesia, as compared with full anesthesia during surgery
- Maximum treatment time is 15 minutes

During a CoreTherm® Concept treatment, the temperature is measured in real time. The treatment effect can thus be calculated continuously and with the help of the temperature monitoring, the responsible doctor or nurse can control the treatment. The treatment takes a maximum of 15 minutes and the entire visit to the reception takes around 1 hour in total.

Schelin Catheter® – Injection tool

Schelin Catheter® is a patented and unique product that has a built-in needle in the catheter intended for intraprostatic and periprostatic injection of drugs directly into the prostate. With the Schelin Catheter®, anesthetics and adrenaline are administered to manage pain and prostatic blood flow during a CoreTherm® Concept treatment of BPH/BPE, and the catheter thus plays a central role in the development of the treatment concept.

The product can also be used in other contexts, for example before local anesthesia and other treatment procedures for ailments of the prostate, where drugs need to be administered into the prostate sterilely. Since the launch, September 2022, the Company has had greatly increased demand for the product in Europe.

CoreFlow® Soft Stent – Aftercare product

CoreFlow® Soft Stent is a patented and unique product. The product is a hybrid between a catheter and a stent and has many uses. The product can be used as a disposable product after the BPH/BPE treatment regardless of the treatment method. The product can also be used as a diagnostic tool and simulate what the results of treatment might be prior to undergoing an invasive measure against obstruction, microwave therapy (TUMT) or transurethral resection (TURP). The product is also an alternative to an indwelling catheter (CAD) in case of urinary retention, which enables self-drainage and reduces the risk of urinary tract infection. CoreFlow® Soft Stent can partially replace urodynamic examinations, as well as be used where such examinations are not possible.

This product is also used outside of the CoreTherm® Concept treatment and is sold as a stand-alone product in Europe together with the Schelin Catheter® (see above).



Schelin Catheter®

1. Mattiasson A., Wagrell L., Schelin S., et al: Five-year follow up of feed-back microwave thermotherapy versus TURP for clinical BPH: a prospective randomized multicenter study. Urology 69, 91-97, 2007



ProstaLund is a Swedish medtech company, a leader in the development of innovative urology products and treatments. ProstaLund has patented CoreTherm®, customised thermal treatment of Benign Prostatic Enlargement (BPE).

ProstaLund AB
Scheelevägen 19
SE-223 63 Lund

info@prostalund.com
Tel: +46 46-12 09 08
www.prostalund.se

