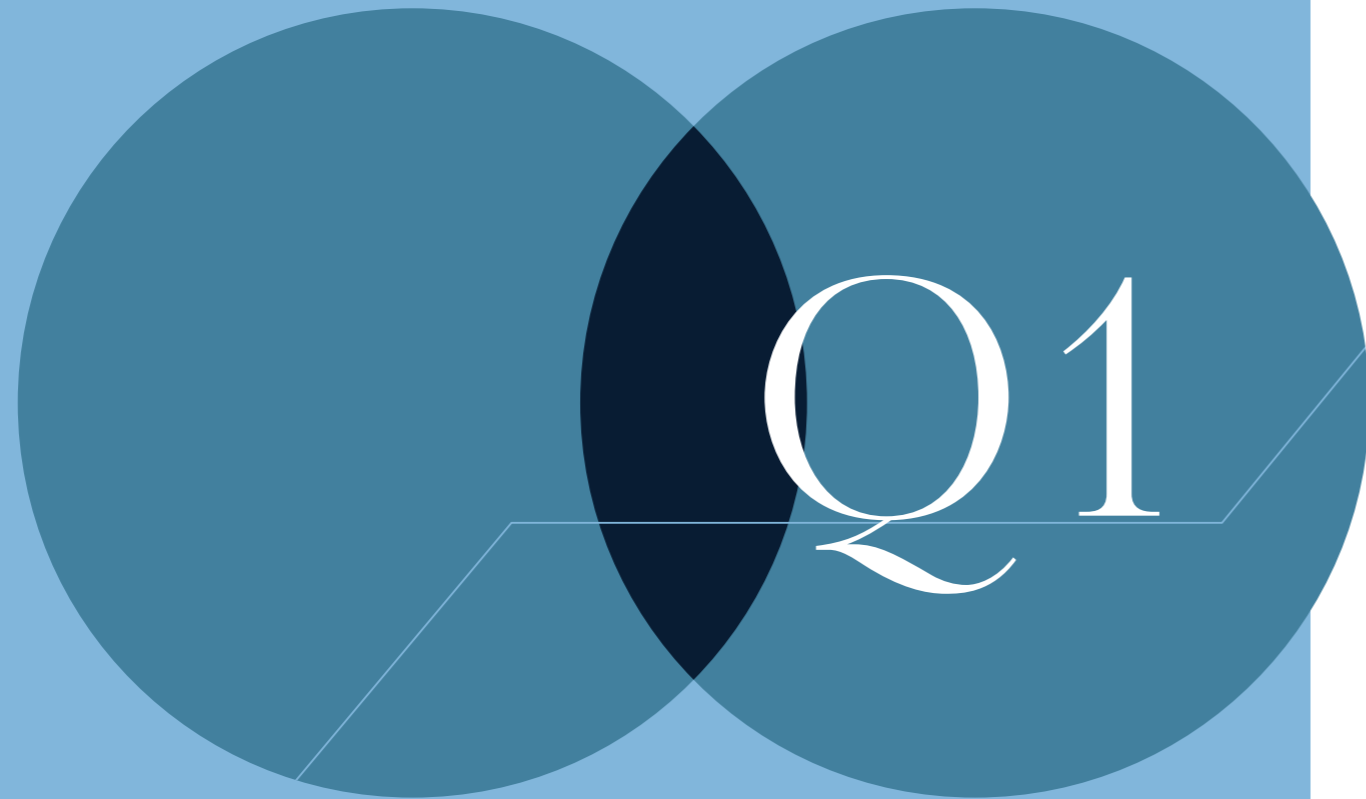


# *Q1 Interim Report*

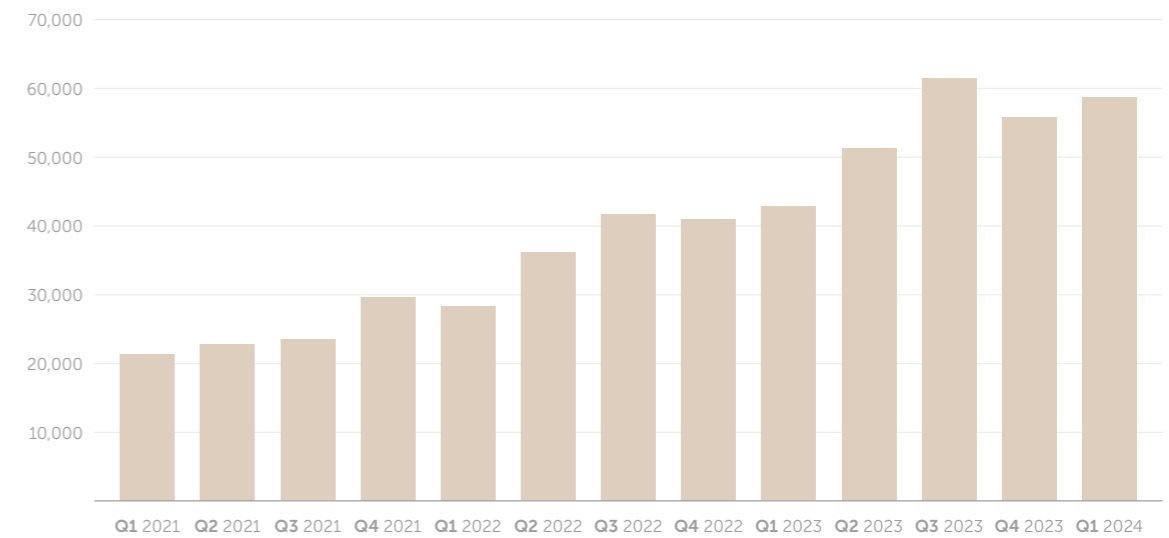
January - March 2024



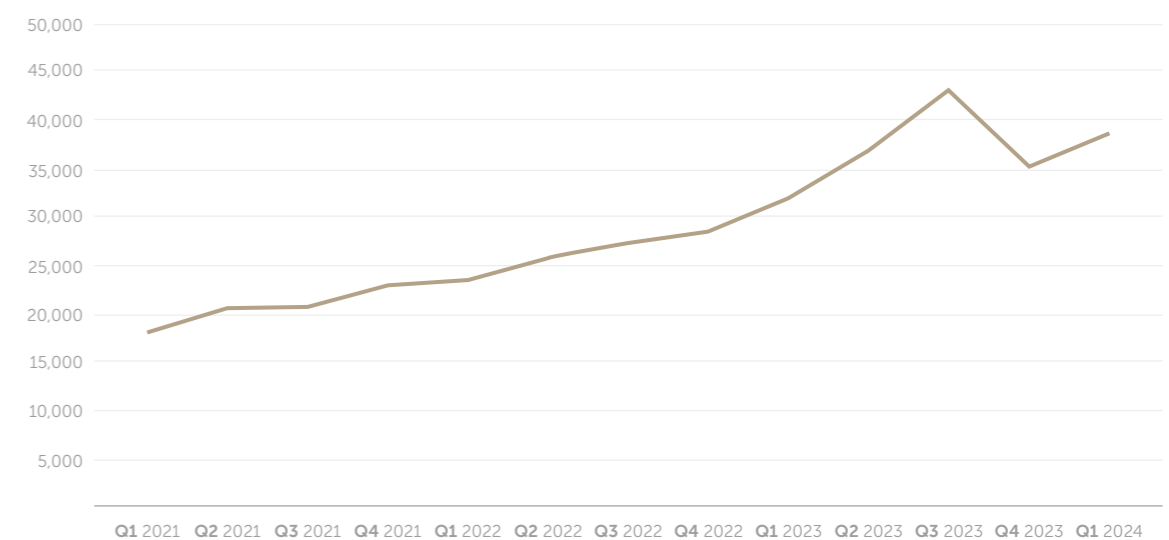
## Strong start to 2024

- The Group's sales amounted to 58.6 (42.3) MSEK for the first quarter of the year.
- The Group's net result totaled 13.1 (-2.5) MSEK for the period January-March.
- EBITDA amounted to 11.7 (2.7) MSEK for the quarter.
- Earnings per share were 0.69 (-0.13) SEK for the period.
- Net cash flow positive for the quarter 4.5 (-8.9) MSEK
- Cash flow from operating activities amounted to 10.1 (-1.7) MSEK for the quarter.
- At the end of the period, the available cash amounts to 29.4 MSEK.
- A total number of 154 (140) scalp cooling systems were installed around the world in the first three months of the year, with the order book containing an additional 153 (162) systems.
- Average Daily Treatment Revenue (ADTR) amounted to 38.8 TUSD (403.0 TSEK) for Q1 2024, corresponding to an increase of 22.6% compared to 32.0 TUSD (333.9 TSEK) for Q1 2023. The figures in SEK have been converted from USD according to the actual exchange rate during each period.
- Recurring income increased from 23.7 MSEK in Q1 2023 to 29.9 MSEK for the same period in 2024

**Net Sales**  
MSEK



**ADTR**  
USD



# SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

## *During*

**In February the Paxman Group has increased its investment from 20% to 49% in Paxman GmbH, working our partner Novidion to relaunch Paxman in the German Direct market.** The German market is an excellent opportunity for the company and with the UK company's increased involvement traction is expected to improve through 2024.

**In March, Paxman was honoured to receive the Export Achievement Award during the prestigious Medilink North of England Healthcare Business awards, recognising our outstanding growth and success in international markets.** Paxman's R&D team were also runners-up for the Partnership with Academia category for our collaborative efforts with academic institutions.

## *After*

**Susy Brown will be leaving Paxman as Head of Brand & Marketing after close to 6 years in the business in May.** She will be pursuing a new opportunity, and will be replaced in the role by Louise Apsey-Smith. You can find out more about Louise at [www.paxman.se/investor-centre/corporate-governance](http://www.paxman.se/investor-centre/corporate-governance)

**In May, the partnership between the University of Huddersfield and Paxman was awarded an outstanding grade from UK Research and Innovation.** The award is the culmination of a two-year Knowledge Transfer Partnership (KTP) that designed and developed the Paxman device for the unmet clinical need of chemotherapy-induced peripheral neuropathy (CIPN).



# COMMENT BY OUR CEO



Richard Paxman, has been CEO for 9 years, helping to steer Paxman to be the global leaders and push boundaries in new markets.

Dear Shareholders, we have started the year with great momentum, and I am delighted with our continued performance, providing solid foundations for the year, with continued EBITDA growth and a positive cash flow.

Our goal for 2024 is to continue to deliver sustainable growth for the company based on prior years investments, through continued investment into our insurance-based billing model in the USA, developing our direct markets with focus for our rest of world business, driving improved EBITDA and maintaining a positive cash flow. Research and development continues to be at the core of our strategy, maintaining our position as leaders, and delivering the best for our patients around the world. I strongly believe we are well-positioned to deliver based on our excellent team and established infrastructure.

Net revenues for the first quarter of the year reached 58.6 MSEK, compared to 42.3 MSEK for the same period in 2023, an impressive growth of 38.5%. Taking a look at this from an entity view, our UK entity posted sales of 3.2 million GBP for the quarter, a 10% growth from Q4 last year. In the USA, sales of 2.7 million USD were achieved, compared to 2.3 million USD for Q4 last year, 14.2% growth. We continue to maintain our gross margins and see our operating expenses and personnel costs stable. Expectation is some marginal head count increases will be seen through 2024 but only to support growth where required.

I am delighted to report that the company delivered a 19.3% EBITDA of 11.7 MSEK, compared to 2.7 MSEK for the same period last year – a strong performance. An operating profit of 7.4 MSEK was achieved for the period compared to a loss of 1.7 MSEK in Q1 2023.

Our improved performance and reduction in capital investments, primarily the CIPN developments, are having a positive impact on cash flow. Our net cash position decreased to 12.4 MSEK Q1 2024 from 12.8 MSEK Q1 2023, however, our cash availability at the end of Q1 2024 is 29.5 MSEK, the same position as 12 months ago. An operating cash inflow of 10.1 MSEK was achieved for the period. Investing activities include Paxman GmbH, US system placement and CIPN development.

Earlier in the year, we carried out a project looking at how we effectively and concisely communicate our new business model in the USA which means we will be moving away from the terminology 'buy and bill' to 'insurance-based billing model'. Q1 2024 now sees normalisation of income following a peak in Q3 and subsequent drop in Q4. Insurance based billing model income for the quarter reached 7.8 MSEK in line with our expectations compared to 5.8 MSEK Q4 2023. We have a large number of discussions and contracting negotiations in place and several key pilots running to hopefully improve adoption of the model, especially in the community oncology setting. Looking specifically at locations which use our Hub services, since launch through to the end of April we have seen 720 Benefits Investigations (BI) completed with a coverage of 82% seen, and 117 patients supported through our Patient Assistance Programme.

Paxman's commitment to the insurance-based business model is a key focus

and directly links to the company vision: that no patient should have to face hair loss if they don't want to. Throughout the year we shall continue to invest in coding, coverage and payment activities to support this.

The New York based cancer centre, made up of 13 locations is performing well on the new model. Coverage overall is still yet to improve which we are collectively working on, but utilisation has increased. Looking at this quarter in 2024, vs 2023, we have seen a doubling in patients accessing scalp cooling at an already high utilising health system.

As part of our drive for excellence I am delighted to confirm the continuation of our Clinical Pioneer Programme (CPP) with the UK and the USA. The CPP is one of our many accreditation programmes. The in-house accreditation program, delivered by Claire Paxman, delivers support and increases knowledge of scalp cooling to ensure that clinical teams feel confident and motivated to provide scalp cooling excellence. Claire also leads our other accreditation programmes including our internal personnel product training and distributor product training, ensuring a standardised, high-quality approach wherever you are in the world.

We have an action-packed events calendar for the year in a drive to strengthen our global presence, brand, and existing relationships in addition to building new ones. In Q1, we attended a number of US conferences including

the West Oncology Conference, the 41st Annual Miami Breast Cancer Conference, and Cure. In March, I also joined the team at the Community Oncology Alliance Conference and the National Comprehensive Cancer Network Annual conference in Florida. These are such important organisations that we are proud to sponsor and support. Our international team have also attended Krebsforum der Industrie at Deutscher Krebskongress (DKK), AFIC's 27ème édition RIO in Paris, and the Global Breast Cancer Conference in Asia (GBCC). Q2 is already booked up with exciting activity at ONS 2024, Washington D.C, USA, ASCO 2024, Chicago, USA and MASCC/AFSOS/ISOO 2024, Lille, France.

As you will have hopefully seen from the 2023 Annual Report, we are seeing momentum in both Singapore and the USA with our clinical trials looking at chemotherapy-induced peripheral neuropathy. As of May we had enrolled 50 patients in clinical trial in Singapore and 134 patients in the SWOG trial in the USA where 22 locations are now active. An interim analysis of the Singapore data is being presented at a poster session at MASCC. I look forward to sharing more details later in the year.

*I am incredibly excited for the future quarters and must thank my whole team for their continued dedication and focus in delivering not only a great commercial business but making a difference to lives around the world. Thank you.*

Huddersfield, May 2024,  
**Richard Paxman OBE, CEO**  
Paxman AB (publ)

# RECURRING REVENUE STREAMS

In Q1 2024 recurring revenues reached 29.9 MSEK an increase of 26.2% from Q1 2023

Developing recurring revenue streams continues to be a key focus for the business. Paxman is able to vary regional business models with payment received for each treatment and/or sold single patient use cooling cap as well as rental of equipment in certain markets. The company is now developing a more cost-efficient version of the single patient use cooling cap for increased flexibility and potentially expanded utilisation of these business models in important growth markets along with a topical product enhancing recurring revenue stream opportunity.

## US

In the United States Paxman finances equipment and installation costs and receives payment from the patient as a self-pay treatment or payment from health care systems for each treatment and cooling cap sold with the new buy and bill model.

## Mexico

In Mexico Paxman finances the equipment and installation costs and receives payment via a royalty from its partner. The partner generates revenue from health care systems on a pay per treatment basis.

## Canada

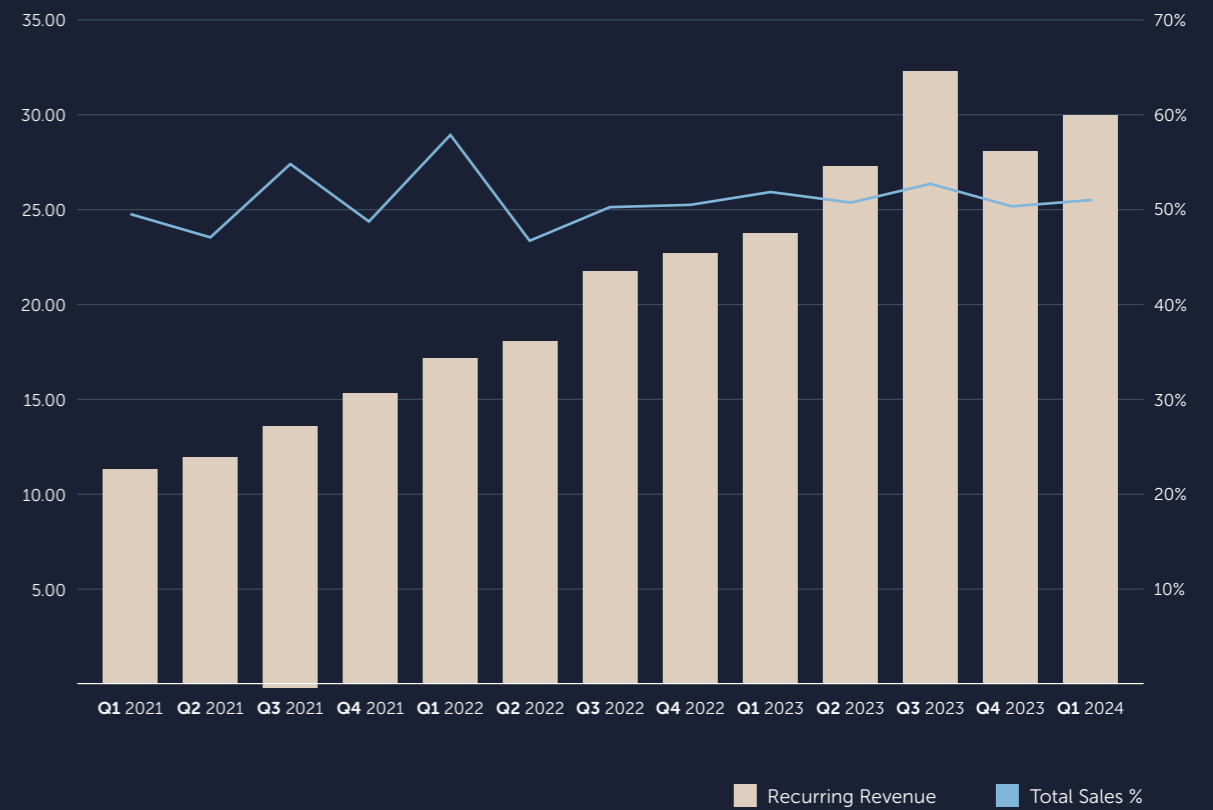
In Canada Paxman finances equipment and installation costs and receives payment from the patient for each treatment. Paxman provides scalp cooling via its own technicians at major cancer centres. For regional cancer centres a hybrid model is available, with some providers investing in the capital equipment.

## Japan

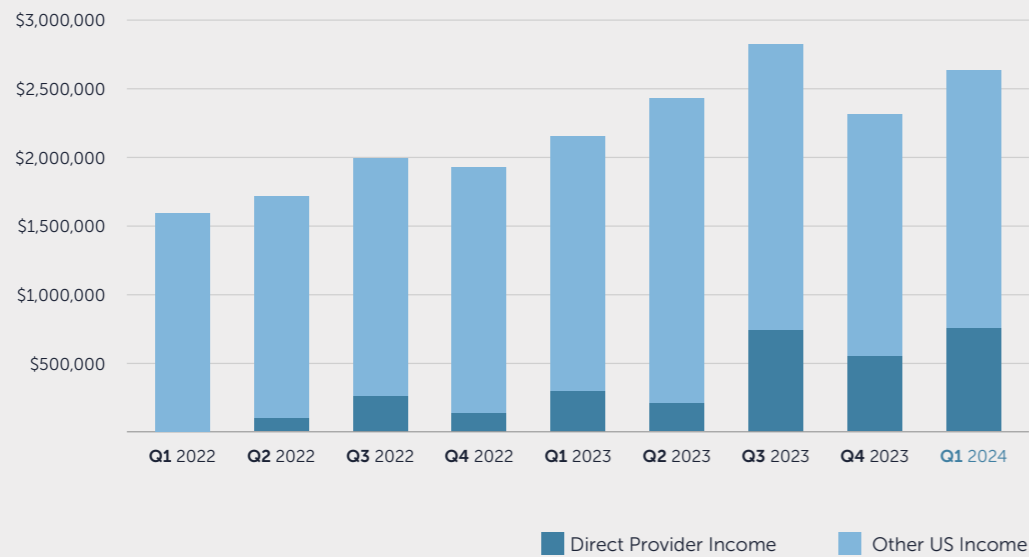
In Japan Paxman sells equipment to distributor CMI and a payment is made to Paxman by CMI for each single patient use cooling cap sold. The market therefore generates a combination of capital and consumable income generating recurring revenue.

*“Developing recurring revenue streams continues to be a key focus for the business.”*

Recurring Revenue  
MSEK

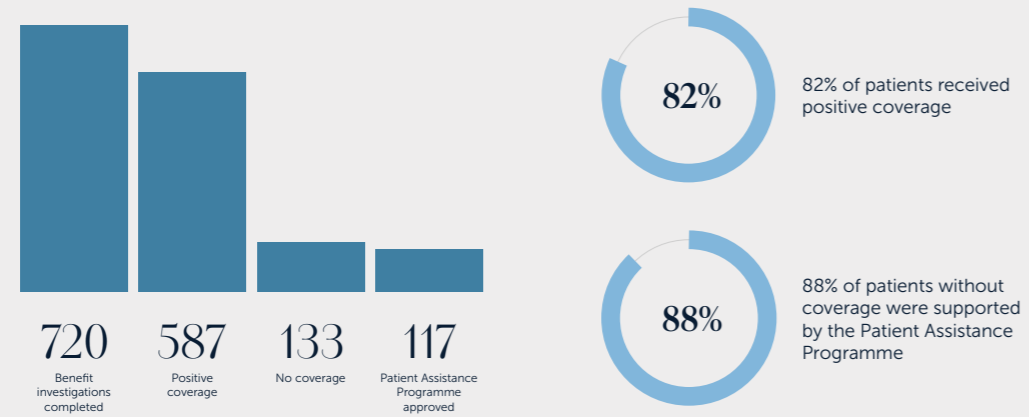


### Direct Provider Income



Please note Paxman are not responsible for all Benefits Investigations for all of its new business model customers. However the above direct provider income captures all new business model customers.

### Results for Providers using Paxman Hub Services



Only providers using the full hub services are included in this data set - June 22 to April 24

# Paxman's insurance-based billing model enables reimbursement for scalp cooling

Though demand for scalp cooling in the US continues to grow, Paxman are deeply aware of the current disparity in access to such a vitally important treatment. With self-pay being the only option until relatively recently, many patients have been unable to take on the additional financial burden. Things are changing - reimbursement for scalp cooling is now a reality.

## Some important milestones

An important ruling was made by the Centers for Medicare & Medicaid Services (CMS) in November 2021, reassigning one of the CPT codes issued for scalp cooling by the American Medical Association (AMA). It allowed a much higher national payment rate of 1,850.50 USD compared to the earlier rate of just 34.72 USD. On the 2nd November 2023, the US Centers for Medicare & Medicaid Services (CMS) published the OPPTS Final Rule, which continues to support scalp cooling, but decreases the average rate from \$1850.50 to \$1250.50 under the Hospital Outpatient Prospective Payment System (OPPS) and the Ambulatory Surgery Center (ASC) payment system for Calendar Year (CY) 2024.

In October 2023 Paxman announced that the Palmetto GBA Medicare Administrative Contractor (MAC) has issued a Local Coverage Determination (LCD) to provide coverage guidance for Scalp Cooling for the Prevention of Chemotherapy-Induced Alopecia. According to the final LCD guidance from Palmetto GBA, "the use of a scalp hypothermia device that has been approved by the United States (U.S.) Food and Drug Administration (FDA) for the prevention of chemotherapy-induced alopecia (CIA) shall be considered reasonable and necessary for patients with solid tumors." In addition, there were no changes between the Proposed LCD and the Final LCD. This is the first LCD that has been approved for scalp cooling and is a result of a request made to Palmetto GBA in February 2023 by Paxman. This important Palmetto LCD provides a pathway for reimbursement of Medicare scalp cooling claims for patients in the seven-state service area, effective November 12, 2023. Paxman currently serves 55

locations within the Palmetto GBA jurisdiction. Further work is underway to support the adoption by other MACs in the USA. While the assignment of a CPT code or approval of a service for assignment to a New Technology APC does not assure coverage, Paxman offers patient services including determining insurance coverage for patients and filing for pre-approval as part of its new insurance-based billing model in the USA.

### Paxman Hub Services – Insurance Based Billing Model

Paxman continue to implement a process, as part of the insurance-based billing model, to help open access to Paxman Scalp Cooling for any US patient regardless of their insurance coverage or financial situation. The service offering helps patients and providers access scalp cooling through Paxman Hub services, and these services are offered through CoverMyMeds – a McKesson Company.

These enhanced services include:

- Benefits investigation to determine patient insurance coverage and its level
- Prior authorisation assistance to support use of Paxman Scalp Cooling
- Help with the appeals process to support Paxman use when coverage denied by insurance company
- A generous Paxman Patient Assistance Program (PAP) for free goods to qualifying patients

Interest in the insurance-based billing model from the provider network continues to remain strong albeit slower than our original expectations. Paxman

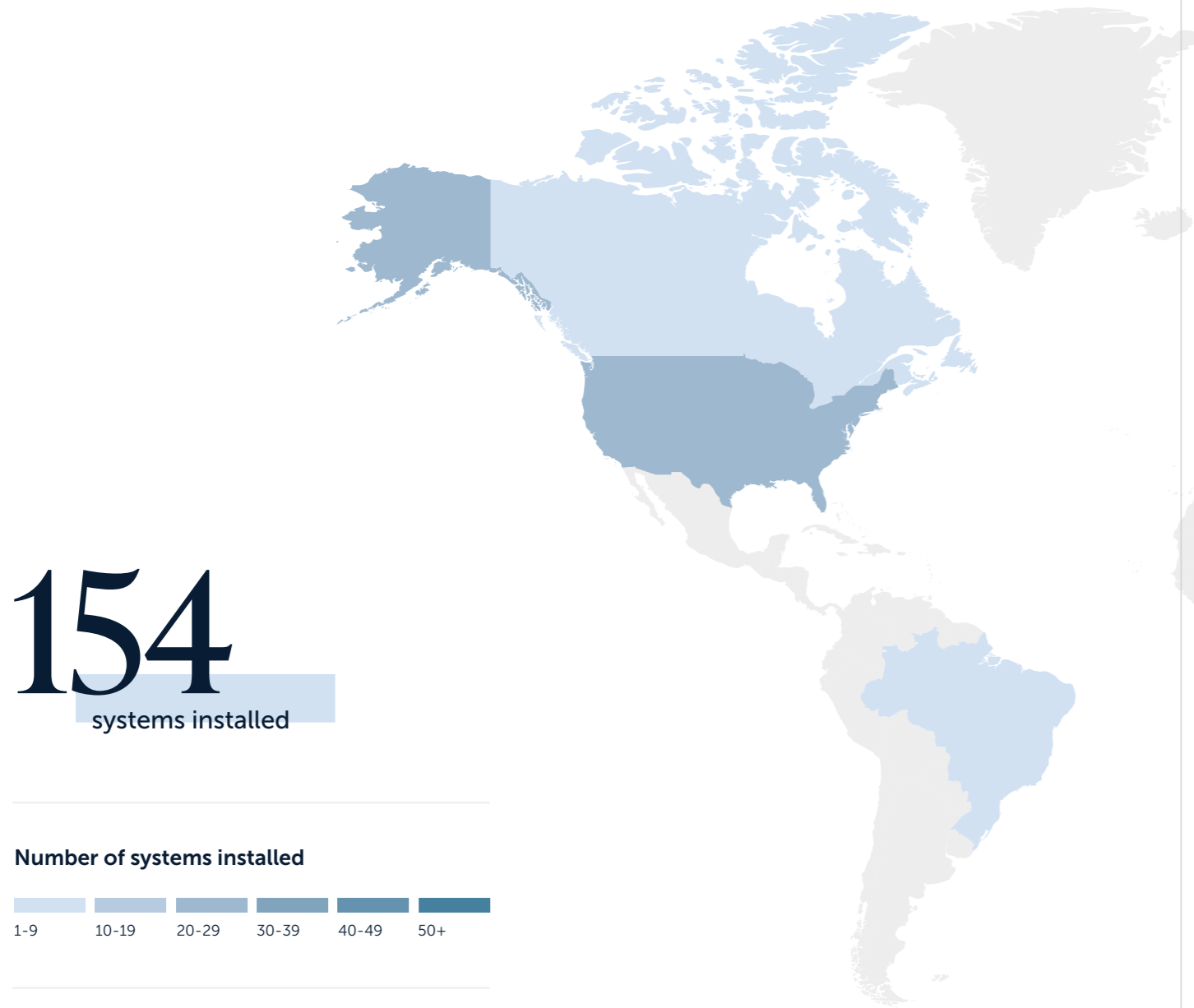
are seeing strong coverage results, with government payers slightly less but to a good standard, and commercial payers frequently exceeding expected coverage rates. Importantly the business model has led to increased patient usage, with utilisation being a key growth driver for Paxman. Some sites have seen increases of more than a 300% rise in patients using Paxman scalp cooling.

Paxman's aim for 40% of its customers in the USA to be using the new model by the end of 2023 was not met, but we are satisfied with our significant momentum and will ensure that with further hard work, 2024 will be a successful year for transition.

In an interview with a large academic health system, one of the first customers using the new insurance-based billing model in the USA, the new model was recommended to others as it has greatly improved patient access to scalp cooling – "I personally predict an approximate doubling of the number of patients who pursue scalp cooling this first year that we're using the buy and bill model."

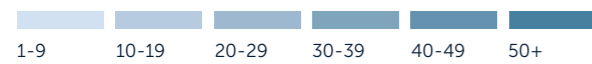
Brooke, a patient who was treated at a cancer centre using the Paxman insurance-based billing model spoke of her experience of being able to access reimbursed scalp cooling treatment – "I didn't realize how lucky I was until almost after the fact that I had 100% coverage. But it shouldn't come down to finances. It should be available to all that have the opportunity to experience it."

2024 will see Paxman continue to work hard on the three key pillars of insurance, coding, coverage and payment. A key focus will be CPT coding and further LCDs.



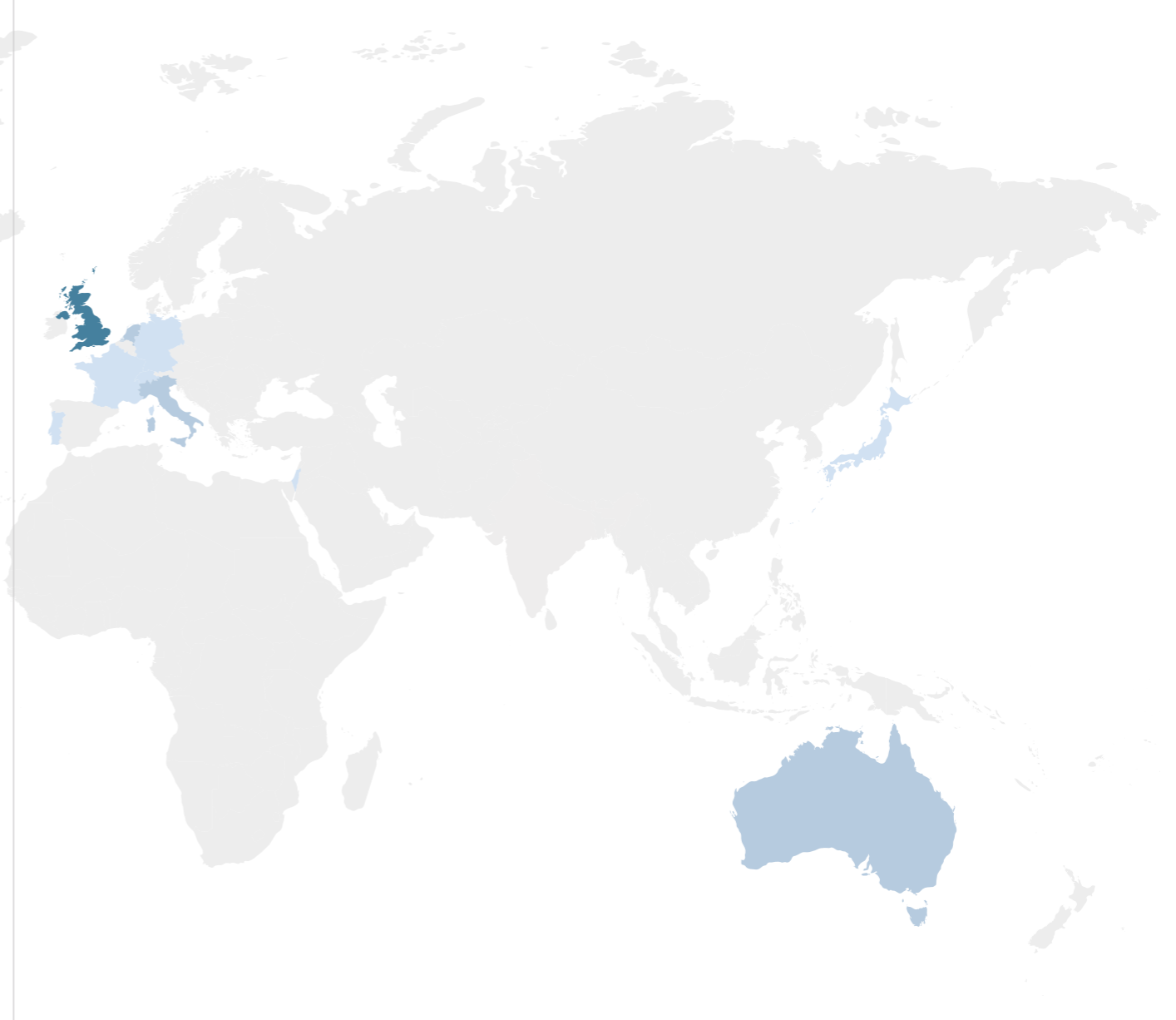
**154**  
systems installed

Number of systems installed



# Installed systems Jan - Mar 2024

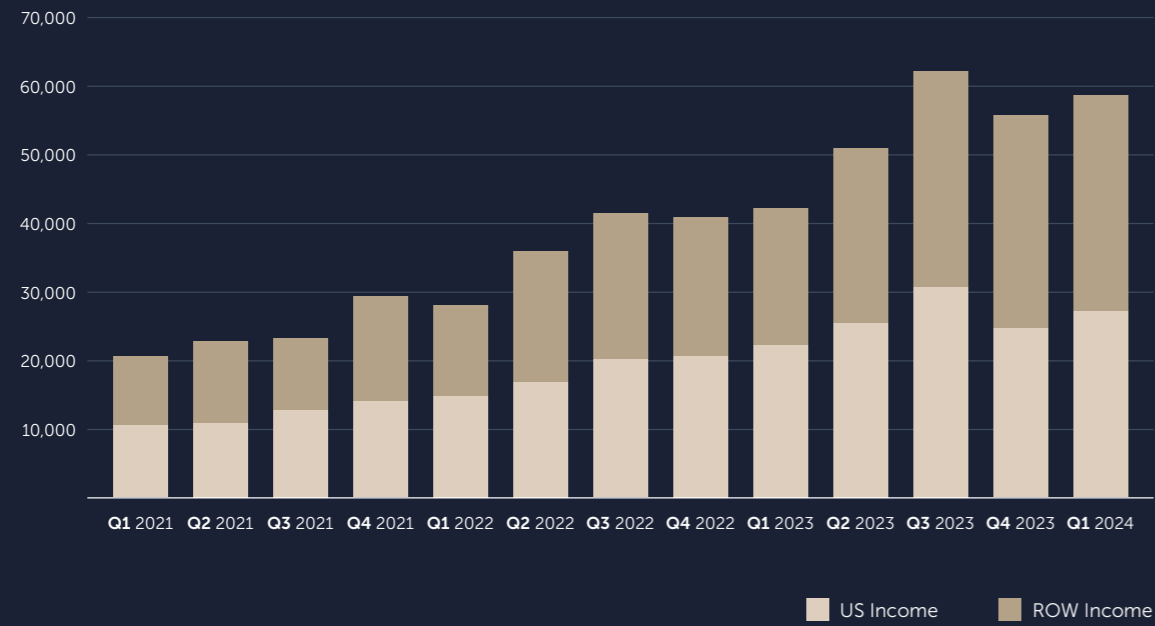
The systems are installed on-site following a signed delivery and rental agreement (in the USA, Canada and Mexico) or after being sold to the customer (rest of the world).



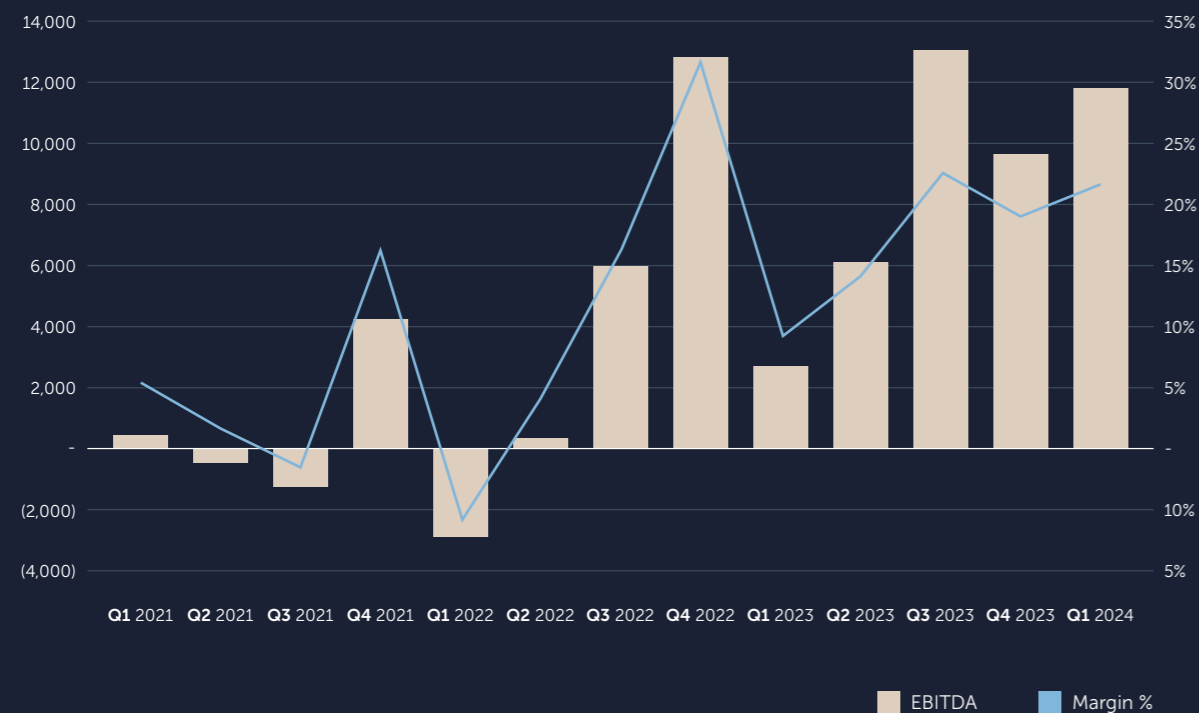
Australia	10	Italy	10	United Kingdom	57
Brazil	6	Japan	5	USA	26
Canada	7	Netherlands	14		
France	6	Portugal	2		
Germany	4	Singapore	1		
Israel	1	Switzerland	5		

**Total systems installed: 154**

US & ROW Income  
MSEK



EBITDA  
MSEK



# Comments to the financial statements

## Sales and earnings

Net sales in Q1 2024 totalled 58.6 MSEK, compared to 42.3MSEK in Q1 2023 a 39% increase in revenue. US revenue is up 22% on Q1 2023.

In Q1 2024 EBITDA is recorded at a profit of 11.7MSEK. This compares to an EBITDA profit of 2.7MSEK for Q1 2023. This is a result of increased revenues and stabilisation of costs, providing a strong return on investment.

As a consequence of increased revenues and stable costs operating profit in Q1 was 7.4 MSEK compared to Q1 2023 a loss of 1.7 MSEK. As in prior periods operating earnings are of course also heavily impacted by depreciation, a consequence of strong investments in the US where the scalp cooling systems are reported as fixed assets in the Group's balance sheet of 25 MSEK.

Included within the financial costs is a currency gain of 6.8 MSEK compared to a loss of 582 TSEK in Q1 2023.

There have been no transactions with related parties in the reporting period.

## Cash flow

The increase in revenue and maintained cost base has led to the operational cash inflow in Q1 of 10.1 MSEK. The cash outflow in investing activities is due to the increased investment in Paxman GmbH along with the continued investment in the CIPN development in addition to the US scalp cooling systems to support the growing insurance based billing model.

## Financial position

There is a decrease in the group's liabilities to 46 (55.7) MSEK on 31 March, of which 17.1 (16.3) MSEK is interest bearing. The decrease is due to a decrease in other payables. No loans have been taken during the period the increase is purely due to movement in currency rates.

## Employees

As of 31 March 24, the Group had a total of 94 employees, 1 by Paxman AB 64 by Paxman Coolers Ltd, 13 by Paxman US, Inc and 16 Paxman Canada linc.. As of 31 March 23, the Group had a total of 79 employees, 1 by Paxman AB, 67 by Paxman Coolers Ltd and 11 by Paxman US, Inc.

## Parent company

Paxman AB (publ) is the parent company of the PAXMAN Group. Its operations include sales in Scandinavia and Group functions such as finance, legal and communications. The parent company has its headquarters in Karlshamn, in the south of Sweden.

## Account principles

Paxman AB (publ) applies the accounting principles of BFNAR 2012:1 (K3), which are also the accounting and reporting principles used in the Group's annual report. No adjustments have been made to these accounting principles since PAXMAN's latest annual report was published. This interim report has not been reviewed by the Group's auditors.

39%

increase in revenue between Q1 2023 and 2024

22%

increase in US revenue between Q1 2023 and 2024



# AFFIRMATION

Paxman AB (publ)'s Board of Directors and CEO hereby assure that these summarized financial statements give a true and fair view of the Group's operations, financial position and performance.

Karlshamn, 23 May 2024  
Paxman AB (publ)

<b>Per-Anders Johansson</b>	Chairman of the Board
<b>Maria Bech</b>	Director of the Board
<b>Robert Kelly</b>	Director of the Board
<b>Björn Littorin</b>	Director of the Board
<b>Glenn Paxman</b>	Director of the Board
<b>Richard Paxman</b>	CEO and Director of the Board

For further information, please contact Richard Paxman, CEO, Paxman AB (publ)

Tel +44 7968 020641  
Email richard@paxmanscalpcooling.com

*This is information that Paxman AB (publ) 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, and will be published at 09:00 23 May 2024.*

## CONSOLIDATED INCOME STATEMENT (CONDENSED)

TSEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Net sales	58,620	42,320	210,117
Capitalized expenditure	2,102	3,407	10,491
<b>Total operating income</b>	<b>60,722</b>	<b>45,727</b>	<b>220,608</b>
Raw materials and consumables	-20,235	-16,109	-74,189
Other operating costs	-13,588	-13,472	-55,849
Personnel costs	-15,159	-13,461	-59,341
<b>Total operating costs</b>	<b>-48,982</b>	<b>-43,042</b>	<b>-189,379</b>
<b>EBITDA</b>	<b>11,740</b>	<b>2,685</b>	<b>31,229</b>
Depreciation	-4,335	-4,346	-18,610
<b>Operating profit/loss</b>	<b>7,405</b>	<b>-1,661</b>	<b>12,619</b>
Net financial items	5,707	-858	-4,650
<b>Profit/loss after net financial items</b>	<b>13,112</b>	<b>-2,519</b>	<b>7,969</b>
Tax	-4	-12	361
<b>Net profit/loss for the period</b>	<b>13,108</b>	<b>-2,531</b>	<b>8,330</b>

## CONSOLIDATED BALANCE SHEET

(CONDENSED)

TSEK	31 MAR 2024	31 MAR 2023	31 DEC 2023
<b>Assets</b>			
Intangible fixed asset	35,737	24,773	34,157
Tangible fixed assets	45,066	47,951	43,085
Financial fixed assets	8,920	7,366	7,121
<b>Total fixed assets</b>	<b>89,722</b>	<b>80,090</b>	<b>84,363</b>
Long term receivable	2,294	-	2,108
Inventories	23,397	28,632	19,999
Current Receivables	38,955	31,166	35,673
Cash and bank balances	29,482	29,126	24,981
<b>Total current assets</b>	<b>94,127</b>	<b>88,924</b>	<b>82,761</b>
<b>Total assets</b>	<b>183,850</b>	<b>169,014</b>	<b>167,124</b>
<b>Equity and Liabilities</b>			
Shareholders equity	136,050	111,770	122,616
<b>Total equity</b>	<b>136,050</b>	<b>111,770</b>	<b>122,616</b>
Provisions for taxes	1,752	1,479	1,660
<b>Total provisions</b>	<b>1,752</b>	<b>1,479</b>	<b>1,660</b>
Liabilities to credit institutions	2,359	3,887	2,532
Other long term liabilities	3,578	-	3,961
<b>Non-current Liabilities</b>	<b>5,937</b>	<b>3,887</b>	<b>6,493</b>
Liabilities to credit institutions	14,831	12,450	11,038
Accounts payable	16,228	24,080	15,145
Other current liabilities	9,052	15,348	10,172
<b>Current liabilities</b>	<b>40,111</b>	<b>51,878</b>	<b>36,355</b>
<b>Total equity and liabilities</b>	<b>183,850</b>	<b>169,014</b>	<b>167,124</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
<b>Operating activities</b>			
Results before financial items	7,366	-1,470	13,028
Financial items	5,707	-858	-4,650
Income Tax Paid	-4	-12	555
<b>Adjustments for:</b>			
Depreciations and write downs	4,335	4,346	18,610
<b>Cash flow before changes in working capital</b>	<b>17,405</b>	<b>2,006</b>	<b>27,543</b>
<b>Cash flow from changes in working capital:</b>			
Inventories	-3,397	-1,471	7,162
Current receivables	-3,467	-409	-7,025
Current debts	-420	-1,898	-12,048
<b>Cash flow from changes in working capital</b>	<b>-7,285</b>	<b>-3,778</b>	<b>-11,911</b>
<b>Cash flow from operating activities</b>	<b>10,121</b>	<b>-1,772</b>	<b>15,632</b>
<b>Investing activities</b>			
Investing in intangible fixed assets	-2,005	-2,372	-13,605
Investing in tangible fixed assets	-5,890	-4,175	-11,724
Investing in financial fixed assets	-1,343	-	-
<b>Cash flow from investment activities</b>	<b>-9,238</b>	<b>-6,547</b>	<b>-25,329</b>
<b>Financing activities</b>			
Loans taken (+)/repayment of loans (-)	3,618	-647	-3,414
<b>Cash flow from financing activities</b>	<b>3,618</b>	<b>-647</b>	<b>-3,414</b>
<b>Cash flow for the period</b>	<b>4,501</b>	<b>-8,966</b>	<b>-13,111</b>
Cash and Cash equivalents, opening balance	24,981	38,092	38,092
Cash and Cash equivalents, closing balance	29,482	29,126	24,981

## CONSOLIDATED CHANGES IN EQUITY

(CONDENSED)

TSEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Opening balance as of 1 January	122,616	114,198	114,198
Translation gains/losses on consolidation	326	103	88
Profit/loss for the period	13,108	-2,531	8,330
<b>Closing balance</b>	<b>136,050</b>	<b>111,770</b>	<b>122,616</b>

## KEY RATIOS

TSEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Operating margin, %	12%	Neg	6%
EBITDA	11,740	2,685	31,229
Equity/assets ratio, %	74.0%	66.1%	73.4%
Liquid assets, net	12,292	12,789	11,410
Market capitalization	712,969	673,043	699,660

## PARENT COMPANY INCOME STATEMENT

(CONDENSED)

TSEK	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Net sales	82	480	2,207
<b>Total operating income</b>	<b>82</b>	<b>480</b>	<b>2,207</b>
Raw materials and consumables	-34	-455	-1,506
Other operating costs	-781	-931	-3,162
Personnel costs	-380	-333	-1,390
<b>Total operating costs</b>	<b>-1,195</b>	<b>-1,719</b>	<b>-6,058</b>
<b>EBITDA</b>	<b>-1,112</b>	<b>-1,239</b>	<b>-3,851</b>
Depreciation	-6	-6	-23
<b>Operating profit/loss</b>	<b>-1,118</b>	<b>-1,245</b>	<b>-3,874</b>
Net financial items	708	630	2,723
<b>Profit/loss after net financial items</b>	<b>-410</b>	<b>-615</b>	<b>-1,151</b>
<b>Net profit/loss for the period</b>	<b>-410</b>	<b>-615</b>	<b>-1,151</b>

## PARENT COMPANY BALANCE SHEET

(CONDENSED)

TSEK	31 MAR 2024	31 MAR 2023	31 DEC 2023
<b>Assets</b>			
Tangible fixed assets	10	33	16
Investments in Group companies	26,937	26,937	26,937
Receivables from Group companies	115,292	107,494	114,586
<b>Total fixed assets</b>	<b>142,239</b>	<b>134,464</b>	<b>141,539</b>
Accounts receivable	74	595	631
Other Current Receivables	985	1,021	533
Cash and bank balances	16,895	26,035	18,013
<b>Total current assets</b>	<b>17,954</b>	<b>27,651</b>	<b>19,177</b>
<b>Total assets</b>	<b>160,193</b>	<b>162,115</b>	<b>160,059</b>
<b>Equity and Liabilities</b>			
Shareholders equity	159,650	160,597	160,059
<b>Total equity</b>	<b>159,650</b>	<b>160,597</b>	<b>160,059</b>
Other current liabilities	261	1,065	184
Accrued costs and prepaid income	282	453	473
<b>Current liabilities</b>	<b>543</b>	<b>1,518</b>	<b>657</b>
<b>Total equity and liabilities</b>	<b>160,193</b>	<b>162,115</b>	<b>160,716</b>

## DATA PER SHARE

	JAN-MAR 2024	JAN-MAR 2023	JAN-DEC 2023
Earnings per share, SEK <sup>1)</sup>	0.69	-0.13	0.44
Earnings per share, SEK, diluted <sup>2)</sup>	0.69	-0.13	0.44
Equity per share, SEK <sup>1)</sup>	7.16	5.88	6.45
Cash flow from operating activities per share, SEK <sup>1)</sup>	0.53	-0.09	0.82
Earnings per share, SEK, Share price on closing day, SEK <sup>2)</sup>	37.5	35.4	36.8
Number of shares on closing day	19,012,500	19,012,500	19,012,500
Number of shares on closing day, diluted <sup>2)</sup>	19,080,978	19,080,978	19,080,978
Number of shares, weighted average in the period	19,012,500	19,012,500	19,012,500
Number of shares, weighted average in the period, diluted <sup>2)</sup>	19,080,978	19,080,978	19,080,978

- 1) Earnings and cash flow per share are based on the weighted average number of shares in the period. Equity per share is based on the total number of issued shares on balance sheet day.
- 2) As of March 31, 2024, the company had an outstanding option program, aimed at employees at the subsidiary Paxman Coolers Limited in Huddersfield. The decision to issue warrants was made at the Annual General Meeting on May 23, 2019, and the warrants were issued immediately thereafter. A total of 68,478 warrants have been issued, with the accompanying right to subscribe for a maximum of 68,478 new shares in the company.

# OTHER INFORMATION

## About Paxman

Paxman are global leaders in cryotherapy-based chemotherapy side effect management, on an ambitious journey to change the face of cancer.

Paxman have been pioneering scalp cooling technology to help prevent chemotherapy-induced alopecia for over 20 years, providing scalp cooling to cancer patients across the globe. The Paxman Scalp Cooling System leads the market and is presently used at a large number of cancer centres and hospitals in Europe, North-, Central- and South America, Asia and Oceania, with more installs continuously being added. The company is also developing a medical cooling and compression device to prevent chemotherapy-induced peripheral neuropathy (CIPN). A large multicentre trial has begun with the system in the USA.

Paxman was founded as a family business by Glenn Paxman, following his wife Sue's hair loss as a result of chemotherapy treatment. Glenn realised that there were shortcomings in the existing available methods of scalp cooling and together with his brother, developed a liquid-based cooling system, the first Paxman System.



Today, Glenn and Sue's son Richard is the CEO of Paxman, and their daughter Claire holds the position as the company's Brand Ambassador & Director of Global Training. Their inherent understanding of the impact that chemotherapy hair loss can have on a patient, and the privacy and control that retaining their hair can have on their daily lives, is reflected in all of Paxman's business operations. The company's vision is to make scalp cooling a standard of care for all cancer patients worldwide – scalp cooling should be available to anyone who wants it.

Ensuring a positive experience while scalp cooling has shaped the work that Paxman has focused on over the last 3 years, growing and developing support offered to the patient population. It has been acknowledged that an educated patient with moderated expectations has a better outcome. As a result, Paxman has developed a comprehensive suite of patient education materials, helping with decision

making, sharing transparent information on outcomes and encouraging patients to take ownership of cap fitting. This not only supports the patient, allowing them to feel empowered, but also reduces the burden of education from clinical teams.

Research and development are core to Paxman's growth, with substantial investment over the last decade, ensuring that scalp cooling efficacy continues to improve. The company has conducted many successful clinical studies with leading clinics and cancer centres all over the world, including the world's first randomised multicentre study with a scalp cooling system. The results from these studies formed the basis of market approvals in Europe, the United States, Japan and Australia as well as additional markets in South America and Asia. This focused global expansion now sees Paxman systems being used in over 65 markets worldwide.



# Research and development

Paxman is committed to an ambitious research and development programme, allowing the company to continuously refine the efficiency and user-friendliness of its scalp cooling system as well as explore innovation that will shape Paxman in the future.

Research and development has become an increasingly important focus for Paxman. A recognition of the potential provided by innovation, not only for our existing product, but also the huge opportunities that pushing the boundaries of cryotherapy brings, have led Paxman to prioritise an ambitious programme of research and development. The capabilities and improvements being unlocked by this ongoing work ensure that Paxman moves forward from a position of strength. We recognise that investment in innovation now paves the way for significant future growth.

Current projects for the R&D team and the wider multidisciplinary team based at the Paxman Research and Innovation Centre, in conjunction with the University of Huddersfield, are split into 4 areas:

## Preventing chemotherapy-induced peripheral neuropathy

Huge progress was made in 2023 with the Paxman Limb Cryocompression System (PLCS), a portable cryocompression product developed to prevent chemotherapy-induced peripheral neuropathy. This less high-profile side-effect is a potentially debilitating outcome of taxane chemotherapy treatment impacting the hands and feet, ranging from a tingling sensation to excruciating pain. Trials have shown the potential of cryotherapy as an effective preventative treatment, creating the need for a clinically-tested medical device that can deliver consistent, reliable cooling to replace the currently available unregulated manual cooling in the form of frozen gloves, or mechanised cooling that is not supported by a large-scale trial.

PLCS prototype systems were placed in Singapore for use in a pilot clinical trial to establish the efficacy of cryocompression. Phase one testing in healthy individuals was completed and the trial has progressed to stage two, recruiting 47 cancer patients enrolled with positive initial findings.

2023 saw the initiation of a phase III trial in the US, a three-arm, multi-centre, randomised efficacy study using the PLCS, aiming to recruit 777 patients across 25 sites.

You can read more about the CIPN prevention trial on page 28 and in the 2023 Annual Report.

## New cooling cap design

The current cap and cover, launched in 2017, is a robust but lightweight cap, with an improved fit from previous designs. It delivers improved efficacy, easy utilisation and was designed to be suitable for both single-use and regular use markets. There are however several areas that Paxman are keen to improve on. Utilising the medical-design expertise within the University of Huddersfield's award-winning product design team, Paxman have launched a project to explore methods of improving the cooling cap and cover, to factor in sustainability and the best possible fit for all head shapes and sizes. The team will focus heavily on innovation, advanced design and development and technical material research to push boundaries and develop novel solutions.

Work by the team will ensure that scalp cooling treatment efficacy will be maximised along with an optimised cap fit and will also factor in the need for enhanced infection-control, essential for those with chemotherapy-induced immune suppression. Crucially, this project will also address the environmental impact associated with increased demand of single-patient medical devices. The current cap is manufactured from silicone, whilst the cover is produced from neoprene, neither of which are biodegradable. The focus on eco-design promotes a circular economy approach, extending the lifecycle of products and minimising the cap's end-of-life impact.

You can read more about the development of the new cap in the 2023 Annual Report.

## Topical agent to improve scalp cooling efficacy

Paxman have been working with Dr Nik Georgopoulos at the Paxman Research & Innovation Centre to develop topical formulations which will aim to minimise or prevent chemotherapy-induced alopecia in conjunction with scalp cooling, thereby improving patient experience and confidence in scalp cooling. The formulations use lipid nanoparticles with the ability to deliver antioxidants (AOs) to the hair follicle region in the skin, used as a precursor to scalp cooling.

During its final stage, the project focused on completing the development of the production of nano-particles for the formulation of a panel of three reactive oxygen species (ROS) inhibitors (AO1, AO2 and AO3) using a range of formulations to encapsulate these ROS inhibitors/AOs for optimized skin delivery. The biology team at the Paxman Research & Innovation Centre have extensive laboratory (in vitro) data proving the ability of these AOs to prevent hair follicle cell cytotoxicity when used in conjunction with cooling against a variety of chemotherapy drugs.

Paxman now looks to move forward with the advancements made by Nik and his team at the Paxman Research & Innovation Centre and we are working on finding an appropriate commercial partner to make this research a reality.

You can read an interview with Dr Nik Georgopoulos on their work with antioxidants in the 2023 Annual Report.

## Miniaturisation of cooling technology

Progression of the PLCS has allowed Paxman to create smaller and more compact cooling technology. The option to reduce the size of apparatus and therefore the amount of valuable space occupied in hospital treatment areas and cancer centres could have significant impact – making cooling more accessible and allowing for technology that can serve more patients without taking up additional space. Paxman continue to explore this area of vast potential.

# Development of a new Paxman product to prevent chemotherapy-induced nerve damage

**Paxman have been developing a portable compression and cooling product since early 2019. This product is aimed at preventing chemotherapy-induced peripheral neuropathy (CIPN), a related indication causing chronic, permanent nerve damage in hands and feet.**

Chemotherapy-induced peripheral neuropathy (CIPN) is damage caused to the peripheral nervous system that carries messages between the brain, the spinal cord, and the rest of the body, because of chemotherapy treatment. Symptoms manifest themselves as deficits in sensory, motor, and/or autonomic functions of varying intensity and they can significantly reduce a patient's functional quality of life. A patient experiencing CIPN symptoms may have difficulty performing daily functions such as walking, dressing themselves, writing, typing, and other activities related to the hands and feet.

Paxman have developed a compact cryocompression system that will deliver consistent and measurable cooling to prevent CIPN as well as compression that can help to improve treatment tolerability.

In early 2019, Paxman signed a research collaboration agreement with the National University Hospital in Singapore (NUH), for the development of the Paxman Limb Cryo-Compression System (PLCS). The development of the device has been conducted by Paxman in collaboration with researchers from the Paxman Scalp Cooling Research Centre at the University of Huddersfield.

In 2021, a research grant of 1.57 million SGD was received from National Research Foundation (NRF) in Singapore. With this, a clinical trial was initiated by National University Hospital, Singapore, in collaboration with The N.1 Institute for Health, National University of Singapore, to evaluate the PLCS with healthy volunteers and cancer patients. The first phase of the trial was completed in 2022, with the second phase initiated later the same year, to evaluate the safety and efficacy of the PLCS device in preventing CIPN in 80 patients receiving any taxane-based chemotherapy.

A further study, SWOG S2205 ICE COMPRESS, a phase III, three-arm, multi-centre, randomised efficacy study supported by the National Cancer Institute in USA and together with the cancer organisation SWOG, initiated in 2023. The trial plans to recruit 777 cancer patients across a minimum of 25 sites.

The study will compare the proportion of participants who develop clinically meaningful CIPN at 12 weeks in participants treated with taxane-based chemotherapy, randomized into three arms - cryocompression therapy, continuous compression therapy and low cyclic compression therapy administered via the PLCS devices. Low cyclical pressure serves as a control.

To date, the PLCS devices have been deployed in more than 22 study sites and the study has currently accrued 150 patients. Initial findings from phase I of the trial in Singapore are positive and promising. Concomitant scalp and limb cryotherapy during chemotherapy is safe and feasible.

A trial of such a significant size has provided an opportunity to collect information beyond that which reflects on patient experience. Research teams have also taken the opportunity to gather highly valuable quantitative and qualitative device usability data from stakeholders (patients, nurses, device administrators). The enhanced product development that comes from this feedback will ensure that the product is not only effective but simple to use and will increase the likelihood of buy in from clinical teams and ensure that implementation of the device, once commercialised, is smooth and has longevity. Alongside this work, a clear regulatory strategy has been created with the correct timing of deployment in consideration.



1.4m

CIPN affects almost 1.4 million cancer patients annually worldwide

Chemotherapy-induced peripheral neurotoxicity: a critical analysis, Park et al. 2015

\$15k

It is estimated that healthcare costs are US\$17,000 more in cancer patients with CIPN than those without CIPN

Incidence, prevalence and predictors of chemotherapy-induced peripheral neuropathy: A systematic review and meta-analysis, Seretny et al. 2014

50 days

It is estimated that patients with CIPN will see a productivity loss of 50 days with usual care

Are we mis-estimating chemotherapy-induced peripheral neuropathy? Analysis of assessment methodologies from a prospective, multinational, longitudinal cohort study of patients receiving neurotoxic chemotherapy, Molassiotis et al. 2020

# Clinical studies and collaborations

Paxman's scalp cooling is continuously evaluated with different types of chemotherapy treatments and patient groups in order to gain further knowledge and improve the treatment effect. Paxman are pleased to have not only the most published peer reviewed data using its scalp cooling systems, but the most open and active studies, advancing our knowledge with a view to improve efficacy and access globally.

## Scalp Cooling in Metastatic Breast Cancer (MBC)

Location: Dana-Farber Cancer Institute

This study is a prospective, controlled, pivotal clinical investigation to assess the efficacy of the Paxman Scalp Cooling System (PSCS) at preventing hair loss in people undergoing treatment for metastatic breast cancer with either Sacituzumab govitecan (IMMU-132 or Trodelvy™), trastuzumab deruxtecan (DS-8201a or Enhertu®), or Eribulin (Halaven®). Participants will receive study treatment with scalp cooling with standard of care chemotherapy treatment and will be followed for 2-4 weeks after completion of treatment with chemotherapy. It is expected that about 120 people will take part in this research study.

## Scalp Cooling for Chemotherapy-Induced Alopecia in Patients of Color

Location: Montefiore Medical Center

The purpose of this study is to evaluate hairstyling techniques aimed at increasing efficacy of scalp cooling in the prevention of chemotherapy-induced alopecia, determine scalp cooling effect on persistent chemotherapy-induced alopecia, and elucidate molecular mechanisms and predictive biomarkers associated with scalp cooling success in patients with skin of color receiving chemotherapy for breast or non-small cell lung cancer.

This study is being conducted because prior studies have found scalp cooling to

be highly effective in preventing hair loss resulting from chemotherapy. However, minority representation was largely limited in completed trials. A recent study found that scalp cooling devices are less efficacious in patients of color, likely because patients of color have hair is predominantly types 3 (curly) and 4 (kinky), that tend to become bulkier when wet and can interfere with scalp cooling cap fitting. The investigators plan to test two techniques aimed at improving scalp cooling efficacy in patients of color through hairstyling methods that minimise hair volume in order to increase cooling cap to scalp contact: 1) cornrows/braids/twists or 2) water/conditioner emulsion on hair. Preliminary data shows that breast cancer patients with type 3 or 4 hair receiving taxane chemotherapy and scalp cooling using these techniques to

prepare the hair for scalp cooling cap fitting all experienced hair preservation. Additionally, the investigators will also assess persistent chemotherapy-induced alopecia outcomes and incidence by following patients up to 6 months after completing treatment. Finally, specific gene expression changes in taxane-induced chemotherapy-induced alopecia in vitro have been described previously. The investigators will test the hypothesis that scalp cooling reverses such changes in chemotherapy-induced alopecia, assess for biomarkers predictive for scalp cooling success, and investigate persistent chemotherapy-induced alopecia molecular mechanisms using non-invasive transcriptome sequencing on plucked hair follicles. Estimated enrolment is 30 participants.

## Safety of Lower Scalp Cooling Temperature to Prevent Hair Loss From Chemotherapy in Breast Cancer Patients

Location: Memorial Sloan Kettering Cancer Center

This study is conducted to determine if using the Paxman Scalp Cooling System at temperatures lower than the current standard is a safe and tolerable approach to prevent hair loss in breast cancer patients receiving chemotherapy.

This is a single-centre, prospective study to evaluate the safety and tolerability of lower temperature (-7.5°C and -10°C) of the Paxman Scalp Cooling System (PSCS) to prevent alopecia resulting from adjuvant anthracycline plus cyclophosphamide and paclitaxel (AC-T) regimens in patients with newly diagnosed stage I-III breast cancer.

The primary objective of this study is to assess the safety and tolerability of the PSCS at lower temperatures (-7.5°C, -10°C) in preventing chemotherapy-induced alopecia (CIA) in women with newly diagnosed early stage breast cancer receiving adjuvant doxorubicin plus cyclophosphamide (AC) followed by paclitaxel (T) at the completion of AC and T, which will be determined by the ability of patients to complete scalp cooling without any dose-limiting toxicities (DLT) during the 16-20 week period. Estimated enrolment 34 patients.

## Cooling Cap Trial to Prevent Permanent Chemotherapy-induced Alopecia in Breast Cancer Patients

Location: Samsung Medical Center, Seoul

Adjuvant chemotherapy decreases the risk of recurrence. However, it has distressing side effects, including alopecia. Chemotherapy-induced alopecia (CIA) is a common and distressing side effect of many chemotherapy drugs. In previous studies, more than half of the breast cancer patients experienced higher distress due to CIA during cancer treatment, and this distress was strongly associated with negative body image, overall health status, and psychosocial well-being. Recently scalp cooling has been known to be one of the effective options for hair loss prevention. However, there was little information regarding the effect on prevention of permanent CIA (PCIA). This study aims to examine the impact of scalp cooling on prevention of PCIA as well as CIA.

Female adults who are newly diagnosed with stage 1-3 breast cancer and aged less than 70 years will be screened for plan of undergoing Adriamycin or/ and Taxane regimen as neoadjuvant or adjuvant chemotherapy. Eligible patients will be randomly assigned to intervention or control groups (2:1 ratio). Patients in the intervention group will have applied scalp cooling during 4 or 6 cycles of their chemotherapy whereas participants in the control group will be observed.

The objective of the study is to examine whether Paxman scalp cooling system is effective in reducing PCIA in women with breast cancer undergoing neoadjuvant or adjuvant chemotherapy. In addition, impact of Paxman scalp cooling on prevention of CIA, alopecia-related distress, quality of life and patient reported alopecia related side effects will be also explored. Estimated enrolment is 170 patients.

## Alopecia Prevention Scalp Cooling in Chinese Breast Cancer Patients

Location: Chinese University of Hong Kong

The Orbis Paxman Hair Loss Prevention System was introduced to Hong Kong in 2017. Although this device has been widely used in the United States, Europe and Australia, acceptability, efficacy and safety data in Chinese patients have not yet been available. The objective of this prospective study is to collect clinical data in Chinese patients using the Orbis Paxman Hair Loss Prevention System

to prevent chemotherapy-induced alopecia.

This project seeks to demonstrate that the Orbis Paxman Hair Loss Prevention System is safe and effective in reducing chemotherapy-induced alopecia in woman with breast cancer undergoing neoadjuvant or adjuvant chemotherapy. Estimated enrolment 100 patients.

## Study Of Cold Cap Therapy For Prevention of Hairloss in Pediatric Patients Receiving Chemotherapy For Non-Malignant Indications and Solid Tumours

Location: St. Jude Children's Research Hospital

This study is conducted to see if the Paxman scalp cooling device can prevent hair loss in pediatric patients receiving chemotherapy for non-cancerous conditions or solid tumours.

The primary objective of this study is to assess the safety and feasibility for the usage of the scalp cooling device, while exploratory objectives are to assess the incidence and intensity of chemotherapy induced hair loss when using scalp cooling. Estimated enrolment of 40 participants.

For more scalp cooling research and clinical data, go to [scalpcoolingstudies.com](https://scalpcoolingstudies.com)

The Scalp Cooling Study Library unites key clinical research studies and data to provide an overview of global research and practice on scalp cooling and cryotherapy for chemotherapy side effect management.

For an insight from clinicians who pursue cryotherapy research, both scalp cooling and to tackle chemotherapy-induced peripheral neuropathy, visit [scalpcoolingsummit.com](https://scalpcoolingsummit.com)

Here you will find an array of discussions from over 50 key opinion leaders and global experts in their field discussing their experience with scalp cooling, the difference it can make to patients and the importance of research to enable comprehensive high standard cancer care.



## Risks and uncertainties

Information on current risks and uncertainties, as well as on how the company acts to mitigate them, can be found in the annual report for 2023 (pages 77-78). An English translation of this segment is available upon request.

## The share

The Paxman share is listed on Nasdaq First North Growth Market since 12 June 2017. The share's trading name is PAX, its ISIN code SE0009806284 and its LEI code 549300OT2V7Q4IDX8X68. The share capital in the company amounted to SEK 19,012,500 split on 19,012,500 shares on March 31, 2024, each with a quota value of SEK 1. Paxman has only one class of shares.

## Ownership structure

A list of Paxman's 10 largest shareholders is available on [www.paxman.se](http://www.paxman.se) and is updated at the end of each quarter. As of 31 March 2024, the 10 largest shareholders held 75,95% of all issued shares. At this time, Paxman had a total of 1,114 individual shareholders.

## Annual general meeting 2024

The next AGM of Paxman AB (publ) will be held in Karlshamn, Sweden, on 23 May 2024 at 12:00 CEST. The AGM will be held in premises adjacent to the company's head office at Pirgatan 13, NetPort, Karlshamn.

## Nomination committee

For the 2024 AGM, the Nominating Committee will be appointed during the autumn of 2023 based on the 5 largest shareholders on the last business day of September 2023. For the 2024 AGM, the Nominating Committee was comprised of the following three members:

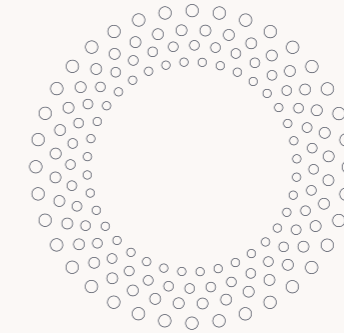
- Roger Johansson, Committee Chairman representing CIMON Venture Trust AB
- Glenn Paxman, Board member and majority shareholder
- Daniel Albin, representing Creades

Their contact details, as well as full guidelines for their appointment and responsibilities, are available on [www.paxman.se](http://www.paxman.se).

## Corporate information

Paxman AB (publ), corporate identity number 559079-3898, has its statutory seat in Karlshamn, Sweden, at Pirgatan 13, SE-374 35 KARLSHAMN. Production and sales are carried out by the UK subsidiary Paxman Coolers Limited, International House, Penistone Road, Fenay Bridge, HD8 0LE Huddersfield, United Kingdom. The Group also has a subsidiary in the US; Paxman US, Inc, based in Houston, Texas. The group also has an entity in Canada, Paxman Canada Inc, based in Toronto, Ontario. Paxman Coolers Limited, Paxman US Inc and Paxman Canada Inc. are all wholly owned subsidiaries of Paxman Group Limited, in its turn a fully owned subsidiary of Paxman AB (publ).

[info@paxmanscalpcooling.com](mailto:info@paxmanscalpcooling.com)  
[www.paxmanscalpcooling.com](http://www.paxmanscalpcooling.com)  
[www.paxman.se](http://www.paxman.se)  
[www.coldcap.com](http://www.coldcap.com)



# FINANCIAL CALENDAR

Interim report as of 30 June 2024		21 August 2024
Interim report as of 30 September 2024		15 November 2024
Year-end Report 2024		21 February 2025

Paxman's interim reports and annual reports are available on [www.paxman.se](http://www.paxman.se).

Together, we  
can make a *difference*.

A dark blue world map is centered in the background of the page. The map shows the outlines of continents and oceans in a slightly lighter shade of blue.

**PAXMAN**<sup>o</sup>  
PIONEERS IN SCALP COOLING



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[scalpcoolingstudies.com](http://scalpcoolingstudies.com)

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[coldcap.com](http://coldcap.com)