

A dark blue world map is centered on the page, surrounded by a circular arrangement of white-outlined circles of varying sizes, creating a globe-like effect. The text 'Q2' is prominently displayed in the center of the map.

Q2

INTERIM REPORT

PAXMAN^o

PIONEERS IN SCALP COOLING

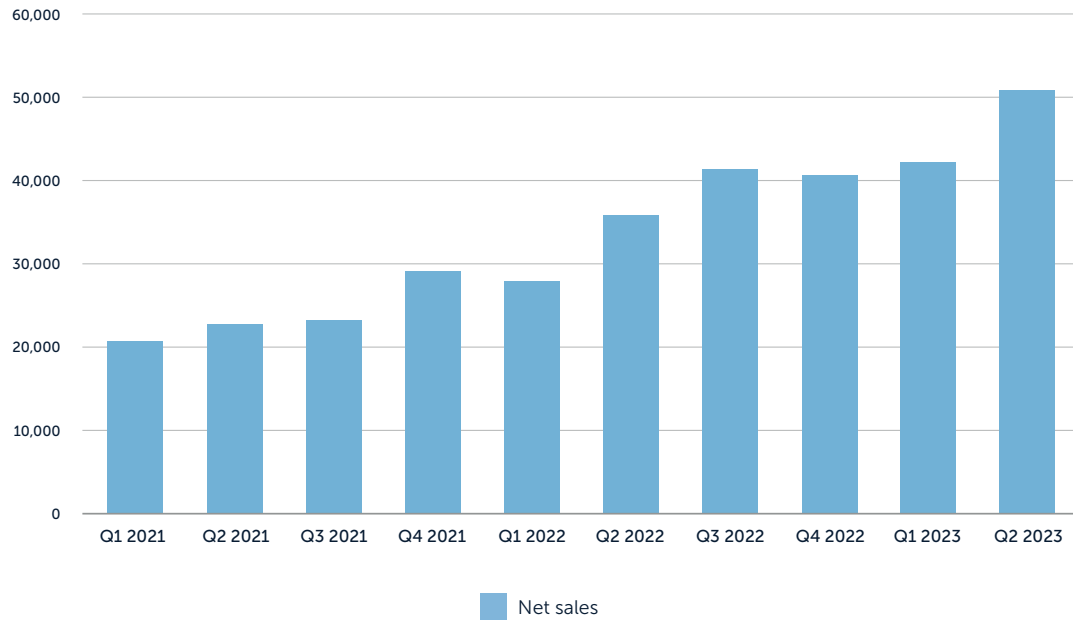


Q2

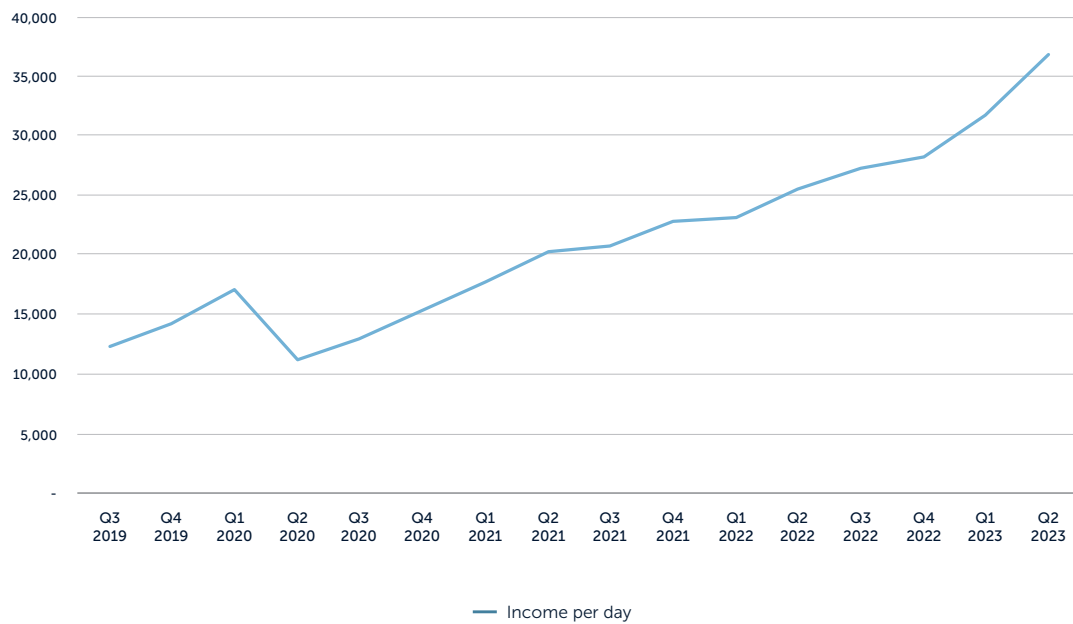
Our strongest quarter to date

- The Group's sales amounted to 50.9 (35.9) MSEK for the second quarter of the year.
- The Group's net result totaled 5.1 (0.6) MSEK for the period April-June, and EBITDA amounted to 6.1 (0.3) MSEK.
- Earnings per share were 0.27 (0.03) SEK for the second quarter of the year.
- Cash flow from operating activities amounted 9.4 (9.2) MSEK for the second quarter of the year.
- A total number of 276 (240) scalp cooling systems were installed around the world in the first half of the year, with the order book containing an additional 191 systems.
- Average Daily Treatment Revenue (ADTR) amounted to 37.1 TUSD (389.8 TSEK) for Q2 2023, corresponding to an increase of 44.4% compared to 25.7 TUSD (253.5 TSEK) for Q2 2022. The figures in SEK have been converted from USD according to the actual exchange rate during each period.
- Recurring income increased from 18.0 MSEK in Q2 2022 to 27.3 MSEK for the same period in 2023.

NET SALES (MSEK)



ADTR (TUSD)



Significant events during and after the reporting period...

DURING

Paxman attended its first exhibition in relation to the promotion and marketing of the company and its products in China. Paxman, along with its partner Concord Medical was exhibiting at BEYOND 2023 International Technology Innovation Expo in Macau. The exhibition took place at the Venetian Macao Convention and Exhibition Centre for 3 days from May 10-12 2023.

Paxman have shipped its first clinical trial Paxman Limb Cryocompression Systems (PLCS) to the USA in the months of April and May for the initiation of the ICE COMPRESS: Randomized Trial of Limb Cryocompression versus Continuous Compression versus Low Cyclic Compression for the Prevention of Taxane-Induced Peripheral Neuropathy. Sites among the first to participate include Columbia University Medical Center, University of Washington Medical Center and Caromont Regional Medical Center.

In June Paxman announced that the Palmetto Medicare Administrative Contractor (MAC) had issued a Proposed Local Coverage Determination (LCD) to provide coverage guidance for Scalp Cooling for the Prevention of Chemotherapy-Induced Alopecia. The draft policy recommends coverage be considered reasonable and necessary for FDA cleared devices as long as the patient does not have any of the listed contraindications. This is the first

LCD that has been proposed for scalp cooling. The proposed scalp cooling LCD was discussed at two open meetings of the Palmetto GBA in July. Palmetto GBA is soliciting comments on these proposed LCDs from physicians, manufacturers, suppliers and other professionals involved in the ordering and/or provisioning of these items. If approved, the Palmetto LCD would provide a pathway for successful reimbursement of Medicare scalp cooling claims for patients in the seven-state service area early in 2024


In June Richard Paxman was Honoured in the British King's first Birthday Honours list. Richard has been honoured with an OBE for services to International Trade. Special honours such as OBE, MBE and CBE are given to recognise people's amazing achievements and service to the country. The awards are handed out twice a year in the UK. It is the second highest ranking Order of the British Empire Award and stands for Officer of the Order of the British Empire, awarded to someone for making a great impact in their line of work.



AFTER

In August Paxman signed a further agreement with Concord Medical, China. Both parties have decided to cooperate in introducing the scalp cooling system before it officially obtains the medical device registration license issued by NMPA, in order to facilitate market research, customer interest data collection, and product promotion in the early stages. A further step in developing the company's profile in Asia.

Also in August Paxman signed an agreement with TACRO in China. TACRO provides medical device manufacturing companies with NMPA registration services and is headquartered in Wuhan, with branches in Beijing, Suzhou, Shenzhen, and Shanghai. Now, the total employee number is 170+. They have more than 30 regulatory consultants assisting companies to access China's fast growing market.



Later in August Paxman signed its first Buy & Bill agreement in the state of New York, which adds a further 12 locations to its newest business model. A large initial order for cooling caps was received equating to over 2.5 MSEK.

Comment by the CEO



Richard Paxman, has been CEO for 8 years, helping to steer Paxman to be the global leaders and push boundaries in new markets.

Dear Shareholders, I am incredibly proud to share our Q2 2023 results with our stakeholders as we enjoy the summer months. Hopefully, you are enjoying the warmer weather and taking some well-earned rest as the team are doing here at Paxman.

The continued hard work and efforts from my colleagues around the world have delivered yet again a strong quarter with consistent revenue growth, improved cash flow and delivery of our R & D targets. We are operating from a position of strength and are poised to carry our positive momentum forward in a goal to achieve the vision I set at the beginning of the year, a company that would deliver sustainable revenue growth, a positive and consistent EBITDA quarter on quarter, and most importantly drive towards cash flow positivity by the end of 2023.

It is important to note the net cash position decreased from 43.1 MSEK Q2 2022 to 10 MSEK Q2 2023 but our cash availability at the end of Q2 2023 is 29.1 MSEK. The increase in revenue in the quarter and maintained cost base led to an operational cash inflow in Q2 of 9.4 MSEK. Investing activities were inflated by a 5 MSEK forex gain along with capitalisation of CIPN equipment already paid for.

Net revenues for the quarter reached 51 MSEK, compared to 35.9 MSEK for the same period in 2022, an impressive growth of 42% and again our highest level of sales to date. Looking at this from an entity view, our UK entity posted sales of 2.5 million GBP for the quarter, which is an improvement from the prior quarter and the sales mix was more focused on UK and rest of world as opposed to sales of stock to the US entity. In the USA, sales of 2.5 million USD were achieved, compared to 2.18 million USD for the prior quarter.

We continue to maintain our gross margins, which was supported by the price increases earlier in the year, reducing any margin erosion based on inflationary pressures. We continue to see our operating expenses and personnel costs relatively stable.

The company delivered a 11.9% EBITDA of 6 MSEK, showing an improved margin from the prior quarter as expected. An operating profit of 1.6 MSEK was achieved for the quarter.

The US business in Q2 has shown a strong performance, mostly driven by increases in self pay income, not only in increased patient numbers but supported by the price increase which took effect earlier in the year. Much focus of course continues to be on the transition of our buy and bill model. We are seeing improved momentum in contracting and increased interest but conversion and transition continues to take time. The more claims data we have, the more highly regarded cancer centers we have on board, the faster and easier the transition.

Buy and bill income for the quarter reached 2 MSEK, below our expectations due to contracting of new locations stalling, however in July I was delighted to finally sign the buy and bill contract with a large New York based cancer center and they have placed their first order equating to over 2.5 MSEK.

Looking specifically at locations who use our Hub services, in 2023 through to July we have seen 273 BI's completed with a coverage of 80% seen, and 48 patients supported through our patient assistance programme. The work is challenging, the journey is long, and the advances are slower than we would like, but we are proud of the progress we are making.

We announced earlier in the quarter that the Palmetto Medicare Administrative Contractor (MAC) had issued a Proposed Local Coverage Determination (LCD) to provide coverage guidance for Scalp Cooling for the Prevention of Chemotherapy-Induced Alopecia. The draft policy recommends coverage be considered reasonable and necessary for FDA cleared devices. This is the first LCD that has been proposed for scalp cooling and a very positive move. We have been working closely with Dignitana in both the request and most recently the support of the LCD where both companies jointly presented at the July 17th Open Meeting on the importance of adopting the proposed LCD.

This action proposing localized coverage further advances support for health care providers to receive reimbursement from Medicare to administer FDA-cleared scalp cooling therapy. The CPT® codes, coupled with coverage determinations such as the proposed LCD, will expand patient access to scalp

cooling and enable oncology providers to appropriately offer the service and bill for the resources required to administer scalp cooling therapy. If approved, the Palmetto LCD would provide a pathway for successful reimbursement of Medicare scalp cooling claims for patients in the seven-state service area early in 2024 and be used to support its adoption in other MACs across the country.

In May I visited Concord Medical at the BEYOND Expo in Macau. Discussions are now building momentum as we finalize our approach to commercialization in the Greater Bay Area in China. We have just finalized the contract to proceed with our NMPA submission. I look forward to progressing the opportunity and hope for a more detailed update following a planned visit in September.

The SWOG study is now up and running with the first patients being enrolled in the three arms of the study. We have delivered equipment to over 17 locations, of which many have now been trained. We are excited to see the trial build momentum over the coming months. The study in Singapore also continues to recruit positively.

Our strong results are a testament to the commitment of our many colleagues around the world – to our purpose to ensure wherever you are in the world, you have access to this treatment. Together we continue to make a difference.



Huddersfield, May 2022,
Richard Paxman OBE, CEO
Paxman AB (publ)

Recurring revenue streams

In Q2 2023 recurring revenues reached 27.3 MSEK an increase of 52% from Q2 2022.

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.

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.

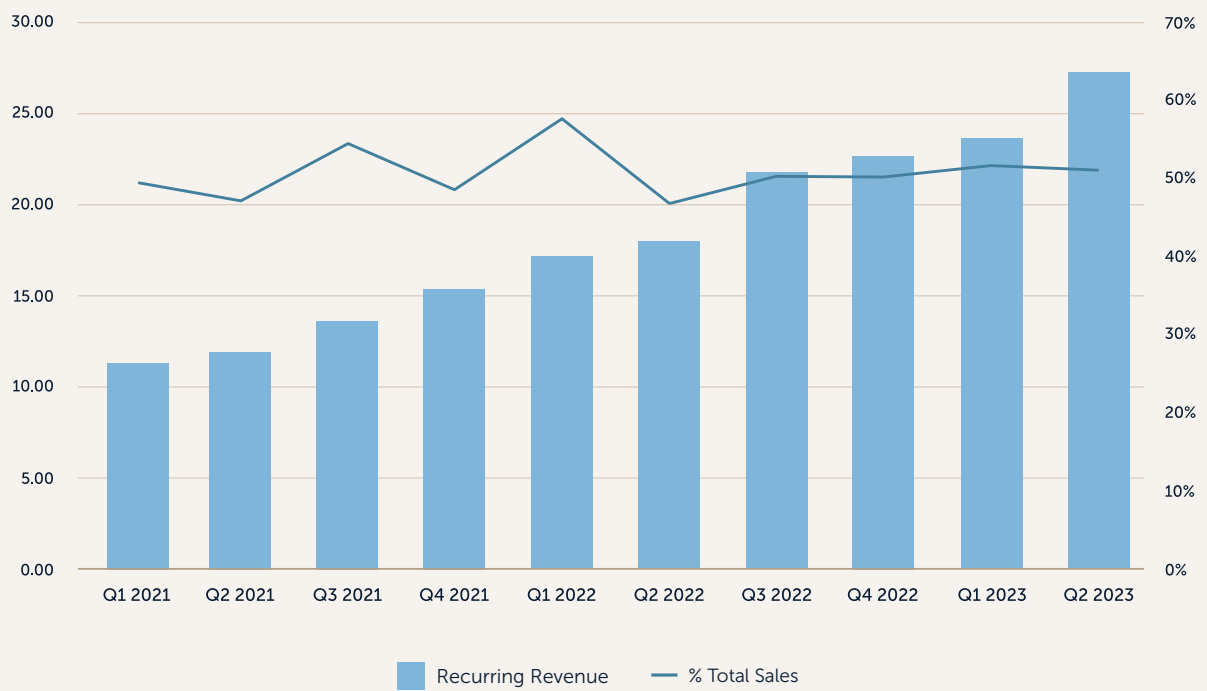
Mexico

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.

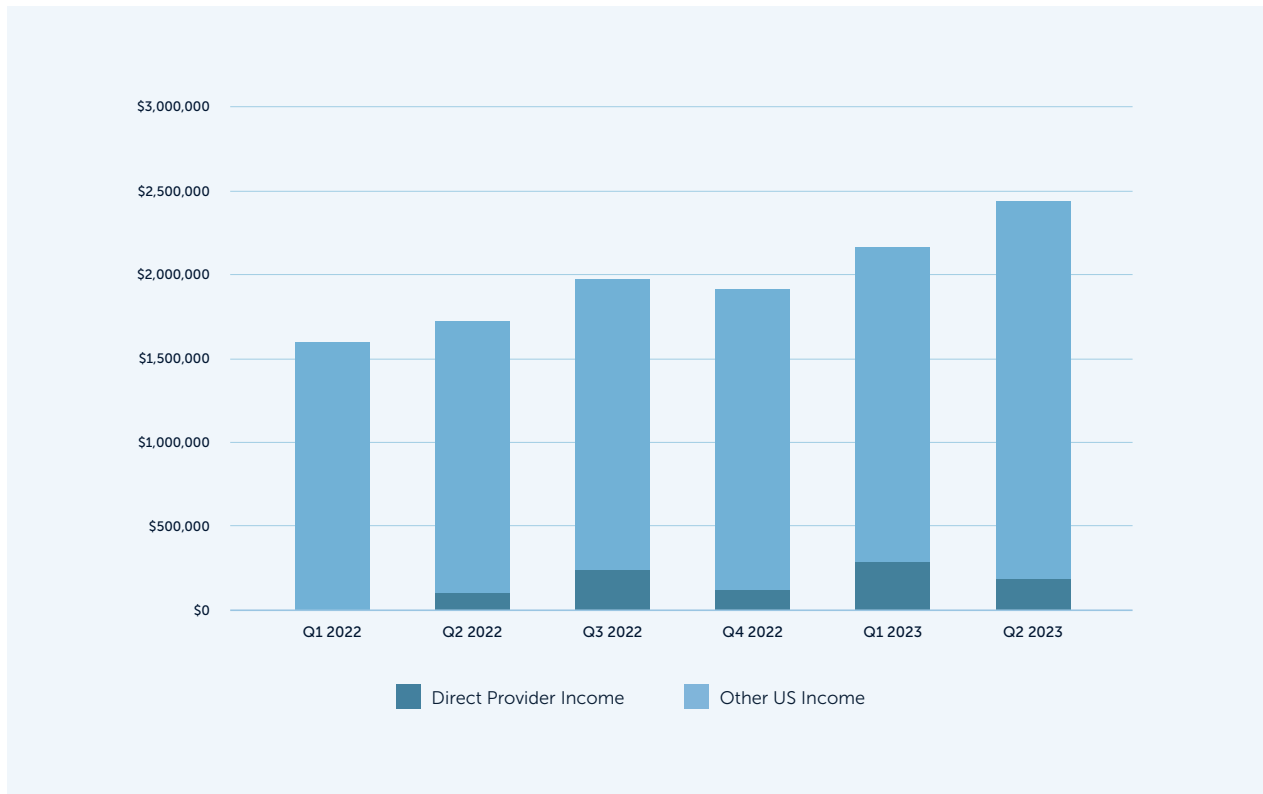
Japan

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.

RECURRING REVENUE (MSEK)

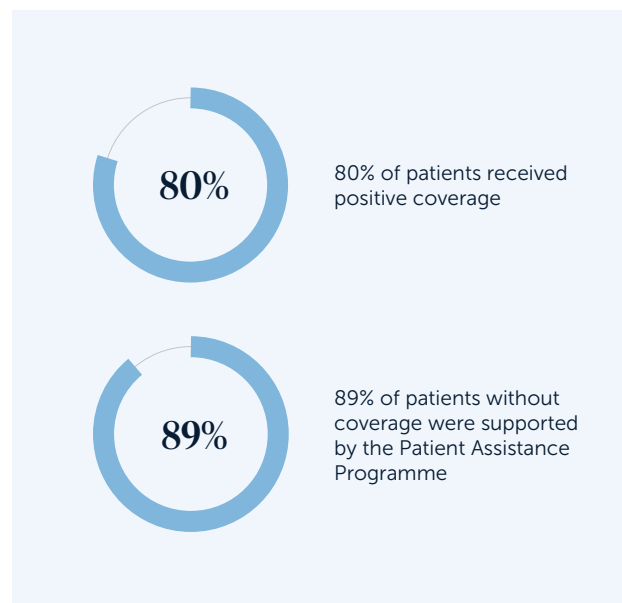


DIRECT PROVIDER INCOME



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

RESULTS FOR PROVIDERS USING PAXMAN HUB SERVICES



Paxman introduces buy-and-bill model to enable reimbursement

Paxman is now making positive steps to transition its customers to its new buy-and-bill business model in the US market, which allows providers to bill insurance on behalf of their patients. Previously, scalp cooling has been an out-of-pocket expense for patients, which has limited the company's growth in the USA. Leading institutions around the United States are already using this model.

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 AMA, allowing a much higher national payment rate of 1,850.50 USD compared to the earlier rate of just 34.72 USD. While this payment rate specifically covers Medicare patients, many commercial payers also use CMS rulings as guidelines for their own policies. The higher payment was implemented in 2022 and has been confirmed for 2023.

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 buy-and-bill business model in the USA.

Patient access to scalp cooling treatment in the US is limited as an out-of-pocket expense. Some patients submitted their itemised receipt to their insurance companies and received reimbursement, but many were not reimbursed. Many patients could not, and cannot, afford to pay outright for scalp cooling, regardless of whether they would be reimbursed. Therefore, many patients were and are not able to use Paxman Scalp Cooling.

Paxman continue to implement a process, as part of the new buy-and-bill business model, to help open access to Paxman Scalp Cooling to 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 authorization assistance to support use of Paxman Scalp Cooling
- Appeal support to support Paxman use when coverage denied by insurance company
- Paxman Patient Assistance Program (PAP) for free goods to qualifying patients

Interest in the new model from the provider network is very positive, and it has been shown to lead to increased patient usage. Paxman's aim is for 40% of its customers in the USA to be using the new model by the end of 2023.

In an interview with one of the first customers using the new buy-and-bill model in the USA, a large academic health system, 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."*

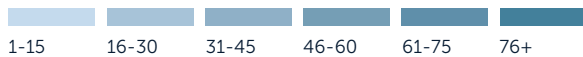
Brooke, a patient who was treated at a cancer centre using the Paxman buy-and-bill model spoke of her experience of being able to access reimbursed scalp cooling treatment - *"I was trying to mentally prepare myself for the worst of losing my hair. So, it really just came down to if it was covered by my insurance and I would go forward with it. It was. It absolutely came down to that. Those are my exact words as far as if it was a barrier. Barrier was basically meaning if I could get it covered, I would do it. If I could not get it covered, I wouldn't do it."*

"Paxman's aim is for 40% of its customers in the USA to be using the new model by the end of 2023."



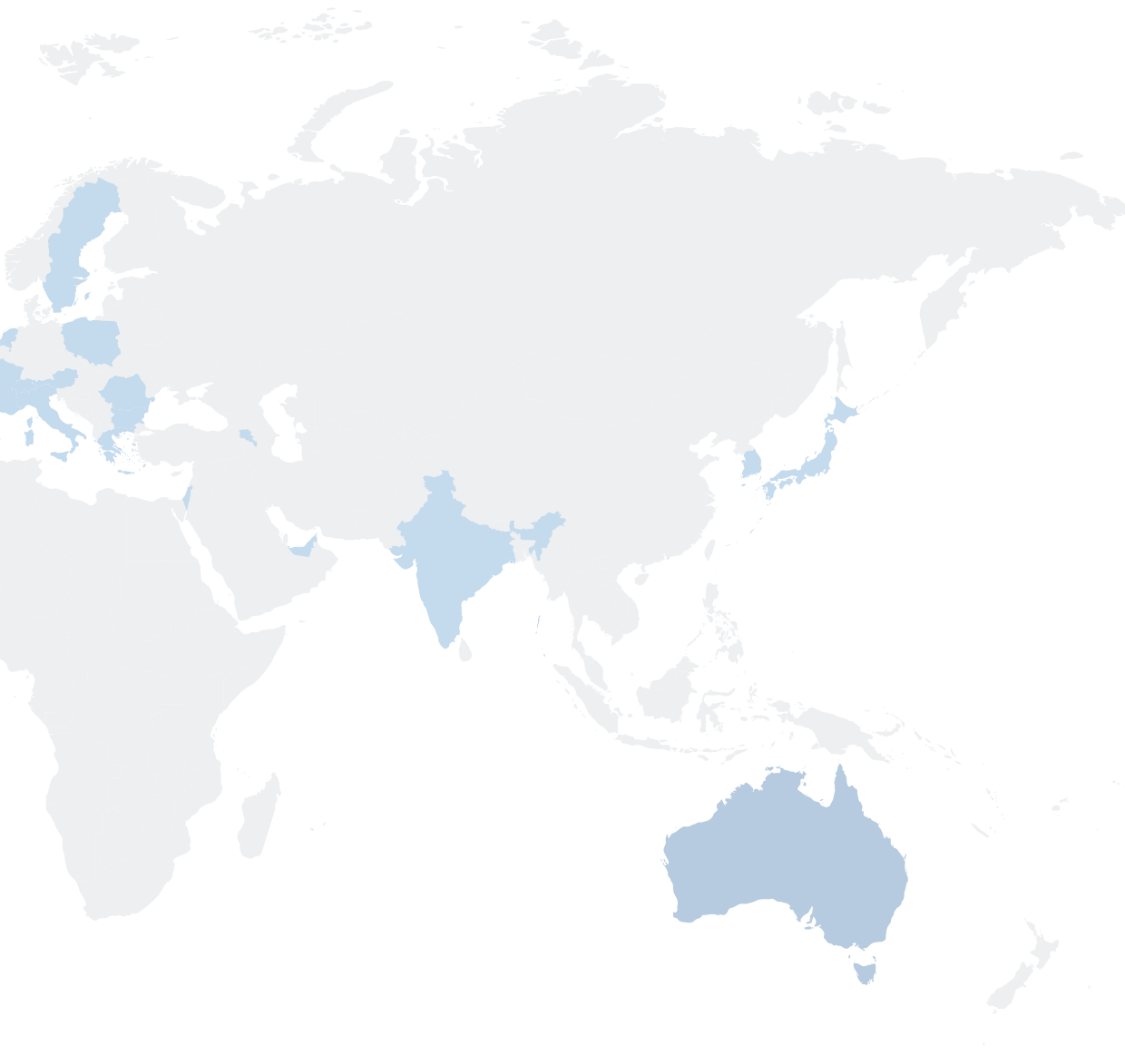
276
systems installed

Number of systems installed



Installed systems Jan - June 2023

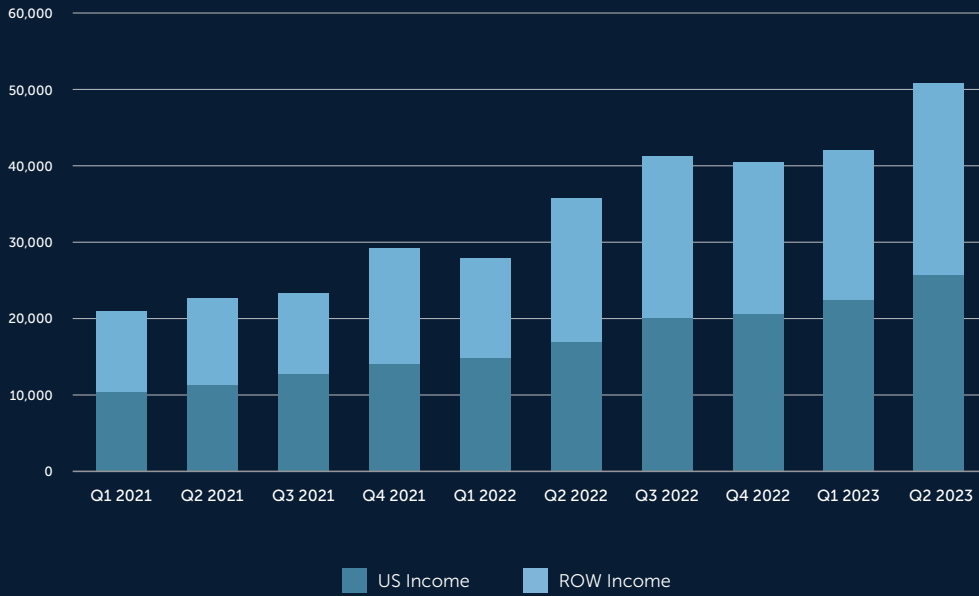
The systems are installed on-site following a signed delivery and rental agreement (in the USA, Canada and Mexico) or after being sold to the customer (rest of the world).



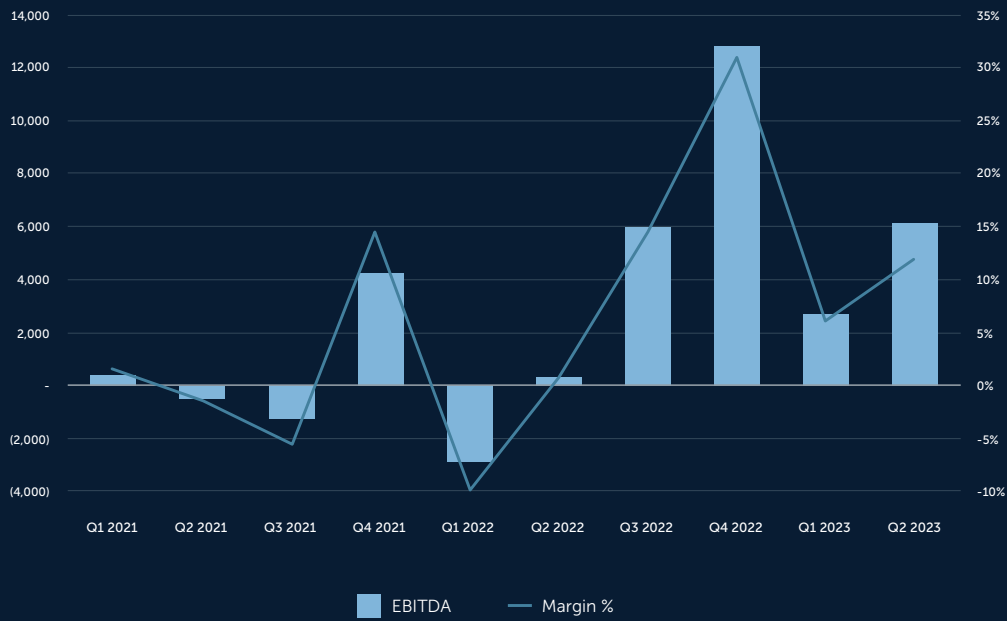
Argentina	2	Hong Kong	1	South Korea	5
Armenia	1	India	7	Spain	3
Australia	20	Ireland	5	Sweden	2
Austria	2	Israel	8	Switzerland	2
Brazil	12	Italy	10	United Arab Emirates	7
Bulgaria	2	Japan	5	United Kingdom	89
Canada	2	Netherlands	8	Uruguay	1
Columbia	1	Poland	1	USA	70
France	8	Romania	1		
Greece	1	Singapore	1		

Total Systems: 276

US & ROW INCOME (MSEK)



EBITDA (MSEK)



Comments to the financial statements

Sales and earnings

Net sales in Q2 2023 totalled 50.9 MSEK, compared to 35.9 MSEK in Q2 2022 a 42% increase in revenue. US revenue is up 42% on Q2 2022.

In Q2 2023 EBITDA is recorded at a profit of 6.1 MSEK. This compares to an EBITDA profit of 336 TSEK for Q2 2022. Growth in revenue and increased pricing as well as the maintenance of the company's cost base has resulted in this improvement in EBITDA.

Operating profit in Q2 2023 was 1.6 MSEK. 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 34 MSEK.

Included within the financial costs is a currency gain of 3.9MSEK compared to a gain of 4.8 MSEK in Q2 2022.

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

Cash flow

Movements within the cashflow compared to Q2 2022 are minimal. The increase in revenue in the quarter and maintained cost base led to an operational cash inflow in Q2 of 9.4 MSEK. a significant proportion of the investing activities is as a result of currency movement on value of assets held.

Financial position

There is an increase in the group's liabilities to 56.6 (45.7) MSEK on 30 June, of which 16.9 (13.7) MSEK is interest bearing. The increase is due to an increase in the trading activity.

Cash on hand has decreased to 27 MSEK from 56,8 MSEK Q2 2022 due to investing activities including Reimbursement and Research and Development in the past 12 months.

Employees

As of 30 June 2023, the Group had a total of 82 employees, 1 by Paxman AB 69 by Paxman Coolers Ltd and 12 by Paxman US, Inc. As of 30 June 2022, the Group had a total of 73 employees, 1 by Paxman AB 61 by Paxman Coolers Ltd and 11 by Paxman US.

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.

Accounting 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.

AFFIRMATION

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

Karlshamn, 24 August 2023

Paxman AB (publ)

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

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

Tel +44 7968 020641

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 13:00 24 Aug 2023.

CONSOLIDATED INCOME STATEMENT (CONDENSED)

TSEK	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Net sales	50,974	35,893	93,294	63,837	145,920
Capitalized expenses	2,424	2,653	5,831	4,361	10,825
Total operating income	53,399	38,546	99,125	68,198	156,745
Raw materials and consumables	-19,255	-14,314	-35,364	-25,634	-55,310
Other operating expenses	-13,958	-11,776	-27,429	-22,644	-35,788
Personnel costs	-14,135	-12,120	-27,596	-22,467	-49,472
Total operating income	-47,348	-38,210	-90,389	-70,745	-140,570
EBITDA	6,051	336	8,736	-2,547	16,175
Depreciation	-4,466	-4,221	-8,812	-8,231	-17,418
Operating profit/loss	1,585	-3,885	-76	-10,778	-1,243
Net financial items	3,564	4,514	2,705	5,217	-7,319
Profit/loss after net financial items	5,149	629	2,629	-5,561	-8,562
Tax	-4	-29	-16	-45	-1,761
Net profit/loss for the period	5,144	600	2,613	-5,606	-10,323

CONSOLIDATED BALANCE SHEET (CONDENSED)

TSEK	30-JUN-2023	30-JUN-2022	31-DEC-2022
Assets			
Intangible fixed assets	32,544	18,529	22,701
Tangible fixed assets	47,871	43,254	47,822
Financial fixed assets	7,672	7,265	7,426
Total fixed assets	88,087	69,048	77,949
Inventories	27,002	19,369	27,161
Current receivables	33,492	21,111	30,758
Cash and bank balances	26,950	56,848	38,092
Total current assets	87,444	97,328	96,011
Total assets	175,531	166,376	173,960
Equity and liabilities			
Shareholders' equity	117,302	119,745	114,198
Total equity	117,302	119,745	114,198
Provisions for taxes	1,586	958	1,451
Total provisions	1,586	958	1,451
Liabilities to credit institutions	3,682	5,069	4,257
Non-current liabilities	3,682	5,069	4,257
Liabilities to credit institutions	13,206	8,652	12,728
Accounts payable	21,318	19,611	24,170
Other current liabilities	18,437	12,341	17,156
Current liabilities	52,961	40,604	54,054
Total equity and liabilities	175,531	166,376	173,960

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

TSEK	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Cash flow from operating activities	9,429	9,212	7,658	5,782	1,688
Cash flow from investing activities	-12,156	-12,338	-18,703	-17,765	-35,692
Cash flow from financing activities	551	-1,999	-97	-3,434	-170
Cash flow for the period	-2,176	-5,125	-11,142	-15,417	-34,174
Cash and cash equivalents, opening balance	29,216	61,974	38,092	72,266	72,266
Cash and cash equivalents, closing balance	26,950	56,849	26,950	56,849	38,092

CONSOLIDATED CHANGES IN EQUITY (CONDENSED)

TSEK	30-JUN-2023	30-JUN-2022	31-DEC-2022
Opening balance as of 1 January	114,198	125,755	125,755
Translation gains/losses on consolidation	491	-640	-1,470
Equity-settled share-based payment transaction	-	236	236
Profit/loss for the period	2,613	-5,606	-10,323
Closing balance	117,302	119,745	114,198

KEY RATIOS

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Operating margin, %	3.11	Neg	Neg	Neg	Neg
EBITDA (TSEK)	6,051	336	8,736	-2,547	16,175
Equity/assets ratio, %	66.8%	72.0%	66.8%	72.0%	65.6%
Liquid assets, net (TSEK)	10,062	43,127	10,062	43,127	21,107
Market capitalization (TSEK)	574,178	872,674	574,178	872,674	819,439

PARENT COMPANY INCOME STATEMENT (CONDENSED)

TSEK	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Net sales	433	714	913	736	1,295
Total operating income	433	714	913	736	1,295
Raw materials and consumables	-547	-271	-1,002	-280	-455
Other external costs	-972	-935	-1,903	-1,871	-3,875
Personnel costs	-337	-257	-670	-529	-1,007
Total operating costs	-1,856	-1,463	-3,575	-2,680	-5,337
EBITDA	-1,423	-749	-2,662	-1,944	-4,042
Depreciation	-6	-6	-12	-6	-23
Operating profit/loss	-1,429	-755	-2,674	-1,950	-4,065
Net financial items	675	280	1,305	534	1,215
Profit/loss after net financial items	-754	-475	-1,369	-1,416	-2,850
Net profit/loss for the period	-754	-475	-1,369	-1,416	-2,850

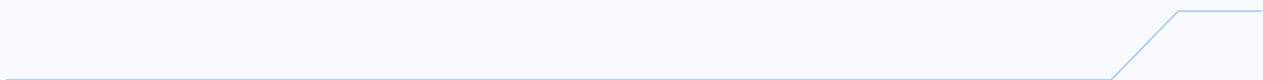
PARENT COMPANY BALANCE SHEET (CONDENSED)

TSEK	30-JUN-2023	30-JUN-2022	31-DEC-2022
Assets			
Intangible fixed assets	27	50	39
Investments in Group companies	26,937	26,937	26,937
Receivables from Group companies	108,169	81,211	97,864
Total fixed assets	135,133	108,198	124,840
Accounts receivable	570	-	-
Other Current Receivables	682	1,550	1,080
Cash and bank balances	24,324	53,656	36,400
Total current assets	25,576	55,206	37,480
Total assets	160,709	163,404	162,320
Equity and liabilities			
Shareholders' equity	159,843	162,645	161,211
Total equity	159,843	162,645	161,211
Other current liabilities	654	310	444
Accrued costs and prepaid income	212	449	665
Current liabilities	866	759	1,109
Total equity and liabilities	160,709	163,404	162,320

DATA PER SHARE

	APR-JUN 2023	APR-JUN 2022	JAN-JUN 2023	JAN-JUN 2022	JAN-DEC 2022
Earnings per share, SEK ¹⁾	0.27	0.03	0.14	-0.29	-0.54
Earnings per share, SEK, diluted ²⁾	0.27	6.30	0.14	6.30	6.01
Equity per share, SEK ¹⁾	6.17	6.30	6.17	6.30	6.01
Cash flow from operating activities per share, SEK ¹⁾	0.50	0.48	0.40	0.30	0.09
Share price on closing day, SEK	30.2	45.9	30.2	45.9	43.1
Number of shares on closing day	19,012,500	19,012,500	19,012,500	19,012,500	19,012,500
Number of shares on closing day, diluted ²⁾	19,080,978	19,080,978	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	19,012,500	19,012,500
Number of shares, weighted average in the period, diluted ²⁾	19,080,978	19,080,978	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 June 30, 2023, 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.

A significant share of Paxman's research and development programme is conducted in collaboration with a multidisciplinary research team at the University of Huddersfield. The team has expertise in areas such as biological and chemical research on hair follicles and product development. In February 2019, the collaboration was formalised, becoming the Paxman Scalp Cooling Research and Innovation Centre, the world's first multidisciplinary research centre focused on scalp cooling.

Together, the University of Huddersfield and Paxman are leading exciting and important multi-disciplinary scalp cooling and hair follicle research. The aim of the Research and Innovation Centre is to be a global leader in its field, pushing knowledge boundaries, while also developing cutting-edge products. Securing the best possible outcome for the patient will always be the Centre's priority.

The Centre's three main areas of focus are:

01—

Biological research using the most clinically relevant in vitro models, specifically cultivated human hair follicles.

Dr. Nikolaos Georgopoulos, Reader (Associate Professor) in Cell Biology and Dr. Andrew Collett, Senior Lecturer in Biological Sciences, at University of Huddersfield, research the biological effects of scalp cooling and cryotherapy. They reported on progress with the Centre's biological research -

"Whilst continuing to investigate the mechanisms by which chemotherapy drugs trigger cytotoxicity in hair follicles (and hair loss), we observed that one of the most frequently used chemotherapy drugs in the clinic activates a new type of cell death. This has not only moved us one step closer in understanding how chemotherapy causes hair loss but has also provided the exciting possibility of new treatments in combination with scalp cooling."

02—

Development of a topical product with the potential to substantially enhance the efficacy of scalp cooling.

Dr. Nikolaos Georgopoulos and Dr. Andrew Collett also talked about updates in the development of a topical agent -

"We have developed formulations (nano-particulates) of three antioxidants. Two of these antioxidants (actives) have been incorporated into nanostructured lipid carriers (NLCs), we have shown that they are robust formulations and stable on storage. These have been tested on skin models and we have demonstrated efficient skin permeation of the antioxidants and successful targeting of hair follicles (compared with actives alone). We are currently working on refining the formulation of a third antioxidant, which has been

incorporated into lipid nanoparticles (LNs).

In 2023 our focus will be to work with a commercial partner that has a proven track record in dermatological/skin care products, in order to formulate a product (lotion, serum or cream) for application of the nano-formulation to the hair and scalp. Initially this will be carried out with one antioxidant to provide a product that can be used clinically and provide proof-of-concept data. This is the most exciting stage of the work where the real product can be available for use!"

03—

Development of an eco-friendly cooling cap ready for mass production.

Head of Research and Development at Paxman, Patrick Burke talked about the exciting work the team are close to concluding -

"As a responsible and caring manufacturer with production of increasing volumes of caps and covers used in scalp cooling, we felt it our environmental and social responsibility to engage the Paxman design team to create innovative methods of manufacturing using sustainable and recyclable materials. The 2-year project, in association with the University of Huddersfield, will soon reach a positive and very exciting conclusion, which we hope will not only have a positive impact on the sustainability of production, but also improve the cap for patients in the future."

"The company's vision is to make the technology available for all cancer patients worldwide."

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.

Paxman has an ongoing research collaboration agreement with National University Cancer Institute, Singapore (NCIS). In May 2021, the project received a research grant of 1.57 million SGD from National Research Foundation (NRF) in Singapore. Thereafter, a clinical trial was initiated with National University Hospital, Singapore, in collaboration with The N.1 Institute for Health, National University of Singapore to evaluate the system with healthy volunteers and cancer patients.

In 2022, the first phase of the clinical trial in Singapore was completed, and the second phase was initiated. The company has now initiated the third phase, a large, randomised phase 3 study with SWOG Cancer Research Network in the USA.

The first phase of this trial in Singapore was completed in 2022. Results from the first phase have been positive – patients have reported efficacy of the Paxman Limb Cryocompression System (PLCS) in helping to prevent chemotherapy-induced peripheral neuropathy. There have been no chemotherapy dose reductions due to the onset of CIPN in any of the 15 cancer patients. The study initiated the second expansion phase, which is ongoing and will recruit a larger patient population in preparation for plans to obtain Health Science Authority approval for the PLCS device in Singapore.

Dr Aishwarya Bandla, Principal Investigator & Head of Translational Core at The N.1 Institute for Health, NUS and R&D Manager at Paxman, and Dr Raghav Sundar, Consultant Medical Oncologist specialising in gastrointestinal cancers and early phase clinical trials, who have been working on the trial in Singapore talked about aims for 2023 -

"In terms of regulatory approval, the determined pathway is to start with the HSA – preparing for labelling submission and then leading into the 510k FDA route and gearing up to CE marking. There have been no major questions from the FDA and HSA in our pre-registration discussions and so we feel that this process is very much on track, particularly thanks to Paxman's experience in this field. We are hopeful that we should have everything in place to readily gain regulatory approval.

From the clinical development side, we are looking to expand even further. The US trial, with randomisation, is the definitive one and multiple centres across the world are showing interest in joining."

A key focus is now phase 3, a larger randomised efficacy study in the USA. The study, 'S2205, Ice Compress: Randomized Trial of Limb Cryocompression Versus Continuous Compression Versus Low Cyclic Compression for the Prevention of Taxane-Induced Peripheral Neuropathy' began recruiting in 2023, with the Paxman Limb Cryocompression System, across a minimum of 25 locations in the USA. This trial is part of the National Clinical Trials Network (NCTN) programme, which is sponsored and funded by the National Cancer Institute (NCI). The trial is being led by SWOG with the participation of the network of NCTN organisations: Alliance for Clinical Trials in Oncology; ECOG-ACRIN Cancer Research Group; and NRG.

1.4m

CIPN affects almost 1.4 million cancer patients annually worldwide

Chemotherapy-induced peripheral neurotoxicity: a critical analysis, Park et al. 2013

\$17k

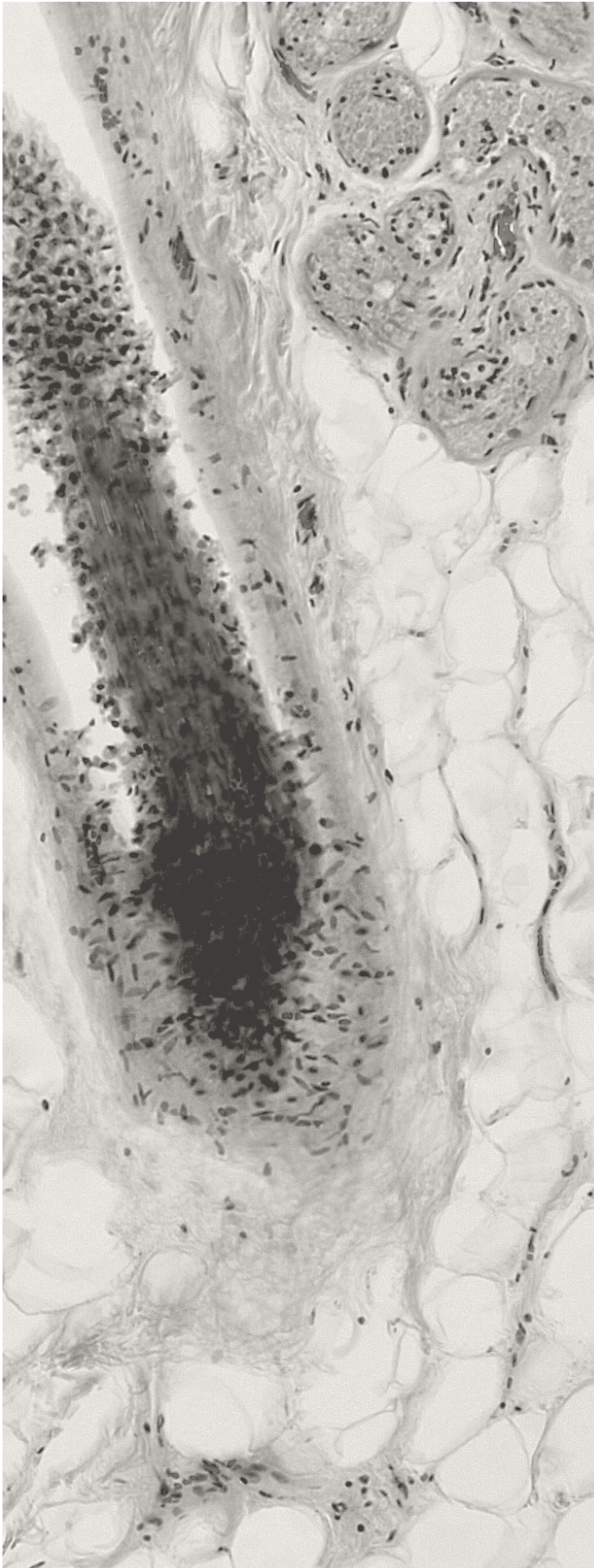
It is estimated that healthcare costs are US\$17,000 more in cancer patients with CIPN than those without CIPN

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 chemotherapy treatments and patient groups in order to gain further knowledge and improve treatment efficacy. Paxman are pleased to not only have the most published peer reviewed data using its scalp cooling systems within the industry, 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

Location: Dana-Farber Cancer Institute

Study type: Prospective, controlled, pivotal clinical investigation

Aim: 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.

Est. enrolment: 120 participants

[Full text \(ClinicalTrials.gov\)](#)

Scalp Cooling for Chemotherapy-Induced Alopecia in Patients of Color

Location: Montefiore Medical Center

Study type: Single-centre, non-randomized investigation

Aim: 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 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 which is predominantly type 3 (curly) and 4 (kinky), that tend to become bulkier when wet and can interfere with scalp cooling cap fitting.

Est. enrolment: 30 participants

[Full text \(ClinicalTrials.gov\)](#)

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

Location: Memorial Sloan Kettering Cancer Center

Study type: Single-centre prospective investigation

Aim: 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 study will 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.

Est. enrolment: 34 patients

[Full text \(ClinicalTrials.gov\)](#)

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

Location: Samsung Medical Center, Seoul

Study type: Single-centre, randomized control investigation

Aim: To examine the impact of scalp cooling on prevention of persistent chemotherapy-induced alopecia (PCIA) as well as chemotherapy-induced alopecia (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 also be explored.

Est. enrolment: 170 patients

[Full text \(ClinicalTrials.gov\)](#)

Alopecia Prevention Scalp Cooling in Chinese Breast Cancer Patients

Location: Chinese University of Hong Kong

Study type: Single-centre prospective investigation

Aim: To collect clinical data in Chinese patients using the Orbis Paxman Hair Loss Prevention System to prevent chemotherapy-induced alopecia. Although this device has been widely used in the United States, Europe and Australia, acceptability, efficacy and safety data in Chinese patients has not yet been available. 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.

Est. enrolment: 100 patients

[Full text \(ClinicalTrials.gov\)](#)

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

Location: St. Jude Children's Research Hospital

Study type: Single-centre interventional investigation

Aim: 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.

Est. enrolment: 40 participants

[Full text \(ClinicalTrials.gov\)](#)

For more scalp cooling research and clinical data, go to 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

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 2022 (pages 58-60). 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 June 30, 2023, 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 and is updated at the end of each quarter. As of 30 June 2023, the 10 largest shareholders held 76.19% of all issued shares. At this time, Paxman had a total of 1,165 individual shareholders.

Annual general meeting 2024

The next AGM of Paxman AB (publ) will be held in Karlshamn, Sweden, in May 2024. 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 2023 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.

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. Paxman Coolers Limited and Paxman US, Inc are both wholly owned subsidiaries of Paxman Group Limited, in its turn a fully owned subsidiary of Paxman AB (publ).

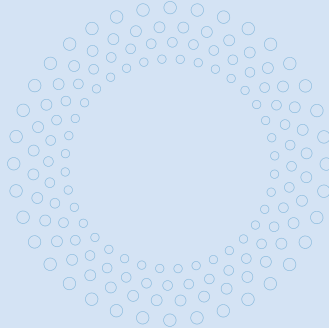
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TOGETHER,
WE CAN MAKE A
DIFFERENCE



FINANCIAL CALENDAR

Interim report as of 30 June 2022		24 August 2022
Interim report as of 30 September 2023		17 November 2023
Year-end report 2023		23 February 2024

Paxman's interim reports and annual reports are available
on www.paxman.se.

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.

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