sedanamedical

ANNUAL REPORT 2024

Positive topline results from US studies

Record-high sales

Positive EBITDA for our ex-US operations in both Q1 and Q4 2024
(adjusted for one-off items)

2024

CONTENTS

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

In 2024, Sedana Medical took important steps closer to the company's vision – to make inhaled sedation a global standard therapy for sedation of mechanically ventilated patients in intensive care.

Sedana Medical AB (publ) is a pioneer medtech and pharmaceutical company focused on inhaled sedation to improve patients' lives during and beyond sedation. Through the combined strengths of the medical device Sedaconda ACD and the pharmaceutical product Sedaconda (isoflurane), Sedana Medical provides an effective, simple and predictable method for inhaled sedation for mechanically ventilated patients in intensive care. The therapy has the potential to become a new global standard therapy.

The company's largest market is Germany, which accounted for around 60 percent of total sales in 2024. Sedana Medical also has direct sales in Spain, France, the United Kingdom, Benelux and the Nordics. In other parts of Europe, as well as in Asia, Australia, Canada and South and Central America, the company works with external distributors.

With the aim of gaining US market approval for the therapy, Sedana Medical has conducted two pivotal studies in the United States, INSPiRE-ICU 1 and 2. Both studies have delivered positive topline results (at the end of 2024 and the beginning of 2025 respectively), and full study results are expected in 2025. Provided approval is granted by the US drug regulatory authority, the FDA, the goal is a launch in the United States in 2027.

Sedana Medical was established in 2005, is listed on Nasdaq Stockholm Main Market (SEDANA) and is headquartered in Stockholm, Sweden.

Sedana Medical's employees have together devised four corporate values to guide the company's work: we will promote close cooperation with customers and suppliers, innovativeness, focus on growth and improved results both for patients and financially for the company.

Several important steps in 2024

Sedana Medical took several important steps in 2024 toward becoming a long-term profitable company. The company's ambition for 2024 of record sales and positive initial phase III data in the United States was achieved. The highlight of the year was the positive topline results from the phase III clinical study INSPiRE-ICU 1 in the United States. For 2024, sales increased by 17 percent (excluding currency effects) to SEK 179 million. These results mark a crucial step toward a forthcoming market application and launch in the United States, the company's greatest opportunity for growth.

Q1

- Sedana Medical achieved the highest quarterly sales in the company's history and positive EBITDA outside the United States.
- An ESG (Environmental, Social, Governance) Committee was established to strengthen efforts to build a long-term sustainable and responsible business.

Q2

- Patient recruitment for the clinical program INSPIRE ICU in the United States was completed.
- Two new Board members were elected by the AGM: Donna Haire and Jens Viebke.

Q3

- An agreement was signed to acquire Innovatif Cekal, the supplier of the company's main product Sedaconda ACD.

Q4

- Decision to integrate the European study into the US application, strengthening the application and shifting the timeline.
- The acquisition of Innovatif Cekal was completed.
- Positive notice that the pediatric indication for Sedaconda (isoflurane) is ready for approval in Europe.
- Positive topline results from the phase III INSPiRE-ICU 1 study.

> "The company's phase III studies in the United States (INSPiRE-ICU 1 & 2) reached their primary endpoint: to demonstrate that inhaled sedation with isoflurane is an effective sedation method by attaining non-inferiority compared to intravenous sedation with propofol."

Events after the end of the financial year

- Positive topline results from the phase III INSPiRE-ICU 2 study.
- Sedaconda (isoflurane) receives an additional year of market protection, extending the protection period to 2032.
- To date, nine countries, including the company's main market Germany, have granted national approvals for the pediatric indication of Sedaconda (isoflurane).

Purpose

To improve life during and beyond sedation.

Vision

To make inhaled sedation a global standard therapy for patients in intensive care.

Business concept

Sedana Medical's business concept is to provide a solution to the problems associated with current intravenous sedatives. This is to be achieved through the company's Sedaconda ACD technology which, together with the pharmaceutical product Sedaconda (isoflurane), offers an effective, user-friendly solution for the sedation of intensive care patients mechanically ventilated for longer than 24 hours which is cost-effective for society.

Strategy

Sedana Medical has adopted three strategic priorities:

1 Achieving sustainable and profitable sales growth in Europe

The company's market approvals in 15 European countries make Sedana Medical the only company offering an approved therapy for inhaled sedation in intensive care. With a strong focus on commercial execution and a restrained investment philosophy that prioritizes profitable growth, we aim to make inhaled sedation standard therapy.

2 Maximizing the opportunities in the United States

With more than 100,000 intensive care beds and a generally higher price level for sedation therapies, the United States represents the company's largest potential market. After completion of the company's clinical phase III program, which has been granted fast track designation by the FDA, provided approval is obtained, Sedana Medical aims to launch its products through a dedicated commercial organization.

3 Building a long-term profitable company

Sedana Medical's model with high gross margins and a concentrated customer base (hospitals with intensive care) is advantageous in achieving attractive profitability when sales increase. An important priority is to achieve profitability for the business outside the United States, so that the US launch can be based on a stable financial platform. The company's long-term aim is to attain an EBITDA margin of around 40 percent when the company has scaled up the business and increased the proportion of sales in the United States.

179

million SEK sales in 2024

For 2024, sales increased by 17 percent (excluding currency effects) to SEK 179 million.

Financial targets

Sedana Medical provides short-term financial targets and updates the targets in the year-end report every year, or during the year if necessary.

Our financial target:

- Our financial target for the full year 2025 is to achieve low-to-mid single-figure positive EBITDA margin for the ex-US operations by maintaining our growth trend and strict cost discipline.

Key performance indicators for the Group

Amounts in KSEK (thousands of SEK), unless otherwise stated	2024	2023
Net sales	178,754	153,867
Gross profit	126,142	108,981
Gross margin %	71%	71%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-29,171	-42,974
EBITDA margin %	-16%	-28%
Earnings before interest and taxes (EBIT)	-50,767	-65,547
Operating margin %	-28%	-43%
Net income for the year	-10,674	-59,612
Profit margin	-6%	-39%
Balance sheet total	1,019,395	1,014,056
Equity ratio %	94%	96%
Quick ratio %	450%	968%
Average number of employees	83	79

Primary endpoint reached in both US studies and positive operational development

Sedana Medical had a successful 2024 in which we achieved our goals in our three priority areas:

1. We are very pleased to have achieved positive topline results for both of our pivotal clinical studies in the United States.
2. With 17% sales growth, we report our highest sales ever – higher than during the exceptional pandemic years – and achieved our raised financial guidance.
3. We delivered positive EBITDA for our ex-US operations in both Q1 and Q4 2024, after adjusting for one-off costs.

Positive results from our US studies

We have achieved a very important milestone in our journey toward the US market: both of our pivotal clinical studies have reached their primary endpoint, confirming that inhaled sedation with isoflurane offers equally good sedation ("non-inferior") to intravenous sedation with propofol. In addition, the safety data were in line with expectation based on our European study and extensive use in ICU in Europe. These topline results are very important for the FDA's evaluation of our therapy. We are continuing to communicate closely with the FDA and will keep you updated on our progress.

Further results from secondary endpoints, long-term follow-up, and combined analysis including the European study, will inform the FDA's decision on what claims we will be able to present to customers in the United States. The results will be communicated as soon as they are published.

New high for sales

Net sales in 2024 amounted to MSEK 179, representing 17% growth compared to 2023 and reaching our raised guidance for the year.

Our direct markets outside Germany ("other direct markets") performed best during the year, with growth of 48% compared to 2023. Our strategic focus on Spain, the UK and France continues to yield good results: Spain was the leading growth engine during the year, thanks to a focused strategy to establish inhaled sedation as a standard therapy and disciplined execution in the field. To build on this growth, we have expanded our local team in Spain. Growth in the UK has increased sharply following regulatory approval from the MHRA at the end of 2023, and we are also expanding our local team in the UK in 2025. Growth in France picked up in the fourth quarter, after limited growth in the first three quarters of the year, following a restructuring of the team and sales territories. Based on this strong trend, our other direct markets now account for almost a third of our total sales, demonstrating the success of our strategy to reduce our dependence on Germany.

Our principal market Germany grew 5% in 2024, which was below our expectations, mainly due to reduced field presence following staff changes and temporary vacancies in the sales force. In response, we have implemented an acceleration plan for Germany. We estimate our market share in German ICUs in 2024 at around 13%. As our top sales territories have achieved over 20% market share and are continuing to grow, we see great opportunities for further growth.

Our distributor markets – the smallest part of our business – reported a 15% increase in sales for the full year. Sales of this type have inherent volatility due to irregular purchasing patterns and higher inventory levels, but we note that we achieved full-year growth for the first time since the pandemic year of 2021.

> "With record sales, operations outside the United States approaching profitability, and positive results from the US studies, we have laid the foundation for a successful 2025."

We have also received positive news on the regulatory side, as the authorities in all countries concerned decided at the end of 2024 that the pediatric indication for Sedaconda (isoflurane) can be approved in Europe. This means that our products can be used on children aged 3–17. Since the decision was announced, we have received national approvals in nine countries, including our main market Germany.

Following the pediatric approval, the CMDh (Coordination Group for Mutual Recognition and Decentralized Procedures - human) has granted a further one-year extension of our market protection (until 2032). In its decision, the CMDh states that Sedaconda (isoflurane) – in the expanded indication for pediatric patients aged 3–17 – offers a significant clinical advantage over existing therapies based on improved safety and a major contribution to patient care.

Continued progress towards profitability

We remain focused on building a long-term profitable company, initially by achieving profitability outside the United States to generate positive cash flows and establish a strong platform for our future launch in the US.

For the full year, ex-US EBITDA improved sharply from MSEK -40 in 2023 to MSEK -15 in 2024. In addition, we reported positive ex-US EBITDA in both Q1 and Q4 2024, after adjusting for one-off costs in Q4. This improvement is a direct result of our decisive action to streamline non-customer-facing functions and prioritize commercial delivery. Our financial strength will be further boosted by the acquisition of our main supplier Innovatif Cekal, which we completed at the end of November. Once we have sold existing stock, this deal is expected to improve our margin by 2 percentage points, further strengthening our long-term profitability.

2025: An exciting year for Sedana Medical

Having reached the end of 2024, Sedana Medical is a stronger company than it was at the beginning of the year. With record sales, operations outside the United States approaching profitability, and positive results from the US studies, we have laid the foundation for a successful 2025.

Our two main priorities for the year are to achieve positive ex-US EBITDA for the full year, driven by a strong focus on commercial delivery in our principal markets and maintained cost discipline, and to prepare a high-quality US application (NDA), for submission to the FDA in 2026, on the way to a US launch.

I look forward to an exciting year for Sedana Medical and thank you for your continued support.

Johannes Doll, *President and CEO*

Clinical studies

Sedana Medical has conducted a clinical program in the United States that is to form the basis for market approval and launch of inhaled sedation for ICU.

In December 2024, the company announced that the phase III study INSPiRE-ICU 1 had reached its primary endpoint: to demonstrate that inhaled sedation with isoflurane is an effective sedation method by attaining non-inferiority compared to intravenous sedation with propofol. The primary endpoint was the proportion of time at correct depth of sedation for patients receiving isoflurane via Sedaconda ACD, compared to intravenous sedation with propofol. The primary endpoint was reached with the non-inferiority margin agreed by the company with the FDA, thereby demonstrating non-inferiority compared to propofol. The safety data for isoflurane were in line with expectations from previous clinical trials and well-established clinical use in intensive care in Europe. In early 2025, similarly positive results were also received for the company's second study, INSPiRE-ICU 2.

INSPiRE-ICU 1 & 2 (SED003 & SED004)

With the aim of achieving US market approval, Sedana Medical has conducted two parallel clinical studies, INSPiRE-ICU 1 & 2. The name INSPiRE-ICU stands for **In**haled **S**edation vs **Pr**opofol in **Re**spiratory failure. That is to say, inhaled sedation compared to propofol in respiratory failure.

These are two identical, randomized phase III studies aimed at confirming and ensuring the efficacy and safety of sedation with isoflurane delivered via Sedaconda ACD in adult intensive care unit (ICU) patients who are mechanically ventilated, compared to intravenous sedation with propofol.

The aim is to show that Sedaconda (isoflurane) delivered via Sedaconda ACD is effective and equivalent to propofol for sedation of mechanically ventilated patients in intensive care. The primary endpoint is the proportion of time at correct depth of sedation, without the need for rescue sedation, assessed according to the Richmond Agitation Sedation Scale (RASS). In addition, several important secondary endpoints are being studied, including opioid use, time to wake up, cognitive recovery after completed sedation and spontaneous breathing. The study design is similar to that of the Sedaconda study (SED001) successfully conducted in Europe in 2017–2019 and resulting in market approval in 2021.

The first patient was recruited in April 2022, and recruitment ended in May 2024. Thirty-one renowned clinics in the United States took part in the two studies. Altogether, around 600 patients were enrolled (470 randomized and 130 run-in). To meet FDA requirements, the studies were observer-blinded.

The work on the clinical studies was carried out with the assistance of a US partner (clinical research organization, CRO).

INSPiRE-ICU 1 & 2 for US market approval

FPI – First patient in **LPO** – Last patient out

31

renowned clinics

The first patient was recruited in April 2022, and 31 renowned clinics in the United States participated in the two studies, altogether enrolling around 600 patients.

”We are using our experience from Europe to prepare for the United States, but there are also aspects that differ.

Jessica Westfal is Vice President Regulatory Affairs and Quality Affairs at Sedana Medical. She talks here about the company's regulatory strategy.

The results of the INSPiRE-ICU 1 & 2 studies will form the basis of a New Drug Application (NDA) to the US Food and Drug Administration (FDA).

In addition, the FDA has recommended that a combined analysis of INSPiRE-ICU 1 & 2 and the European study should be included in the application. This is a recommendation that Sedana Medical intends to follow. It involves expanding the statistical analysis plan, software development to combine data between the studies, conversion of datasets to meet FDA requirements for data standards, and separate documentation for ISE and ISS (Integrated Summary of Effectiveness and Safety).

What is Sedana Medical's regulatory strategy for bringing inhaled sedation to the American market?
The regulatory strategy is to register a combination product consisting of our pharmaceutical product and our medical devices on the US market. This will be done via what is known as the 505(b)(2) regulatory pathway. This is suitable for new indications for previously authorized products and/or where the pharmaceutical product is delivered in new ways.

How does the FDA process differ from European rules?
Many elements are similar in Europe and the United States, but there are also several things that differ. In Europe there is, for example, an application process that is similar but not completely identical to 505(b)(2). In addition, several countries are usually involved in the application process in Europe, which can complicate management compared to an application in the United States. The FDA demands closer communication prior to an application for registration than European authorities. Once an application has been submitted, European authorities have a communicated timetable for when to expect questions during the review process. The FDA does not, and questions can instead be asked at any time after an application has been submitted.

Have you encountered any specific regulatory challenges in the United States that differ from your experience in Europe, and how are you preparing to address them?
In Europe, our medical devices were already approved before the pharmaceutical product was approved for sedation in ICU. In the United States, the medical devices and the pharmaceutical product will be registered at the same time, as a combination product, and this is a major difference from the regulatory point of view. Of course, there are many other challenges, but we have been in close contact with the FDA and have several expert advisors based in the United States to address these.

A market with great potential

USA – Our greatest commercial opportunity

Sedana Medical's market consists of mechanically ventilated patients in need of sedation in intensive care units around the world. In the United States, just over 2 million patients need to be mechanically ventilated and sedated each year[1]. Assuming a similar indication to that in Europe, Sedana Medical estimates the market potential in the United States to be SEK 10–12 billion. This figure assumes a relatively modest price difference compared to Europe, around 10–20 percent. If Sedana Medical manages to obtain a price differential in line with other sedation therapies, the potential could increase accordingly.

Germany – Largest current market

The United States has over 100,000 ICU beds. By comparison, there are around 20,000 ICU beds in Germany, Sedana Medical's largest current market. In addition, differences in hospital practice and incentives mean that a patient is more likely to be mechanically ventilated in the United States than in Europe.

Sedana Medical has successfully established Sedaconda therapy in more than half of Germany's intensive care units. This is partly due to guidelines from 2010 that recommend inhaled sedation as an option for certain patient groups, as well as strong support from German opinion leaders.

In 2024, sales in Germany reached a penetration of around 13 percent of market potential, with higher levels in the company's best-performing regions, where penetration surpassed 20 percent. Penetration on the direct markets outside Germany was below 2 percent.

Market potential in our priority markets

	Europe (our direct markets)	USA
Ventilated adult ICU patients per year	~1 million	~2 million
Market potential for inhaled sedation (low to medium single-digit growth per year)	SEK 3–4 bn	SEK 10–12 bn

Penetration rates in 2024

- Germany: ~13%
- Best regions in Germany: >20%
- Other direct markets: <2%

Key assumptions

- Similar label as in Europe
- Only minor price premium compared to Europe (10–20%) – further upside if a price differential similar to that applicable to other sedation therapies (e.g. propofol) can be achieved

Sources: Europe: based on public market data per country and Sedana Medical's own analysis USA: based on market research conducted by an external consultancy (Clarion Health)

1. Based on an externally conducted survey of market opportunities.

” Cooperation with the US teams has been excellent.

Peter Sackey is Medical Director at Sedana Medical and spent a lot of time during the year working on the phase III studies in the United States.

Do you find that the data you have from the INSPiRE-ICU 1 and 2 studies meet FDA requirements?

Yes, to the extent that we have previously agreed with the FDA on study design, where topline data represent the primary endpoint. As the data so far are positive, we are optimistic. What remains now is to analyze and present other data and clearly show the FDA that our therapy adds value.

How do the clinical data you have gathered in Europe help you?

The data we have gathered in our first large study, the Sedaconda study, in Europe are of great value. Together with the study data from the United States, we now have a database of over 800 patients. This total database will be subject to combined analyses, in which we hope to be able to demonstrate positive effects that may be difficult to identify in the individual studies. As we know that the results from Europe are positive, we anticipate that these data will further strengthen our US application.

How has collaboration with US hospitals and research institutions progressed?

Cooperation with the US teams has been excellent. There is a clinical need for a sedation therapy like ours. Many of our investigators have been waiting for inhaled sedation to become available in the United States, and there is great enthusiasm. We have made a very good start to our collaboration, and many of our investigators have expressed a hope to continue working with us in the future.

How do you see your collaborations from the study being able to impact the clinical uptake of the therapy after it has been approved?

These collaborations are of great significance, as is the fact that many of our new contacts in the United States are among the most influential figures in the field of therapy. They are key opinion leaders and have been involved in the early development of the therapy in the United States, creating a strong sense of participation. We benefit from the advice of our partners, and they can become our centers of excellence. It is now valuable for us to continue to interact with Key Opinion Leaders and gather advice about the local market to prepare for a market launch.

How does inhaled sedation differ from current US standard therapy?

Inhaled sedation differs in a similar way from intravenous sedation in the United States and Europe. The use of propofol, dexmedetomidine and midazolam is similar and, as in Europe, there is a struggle to manage the side effects and after-effects of intravenous sedation. A major difference in the United States is that at the time of approval we will have significantly more data from large studies, and that we are working with the most prominent clinical researchers and authorities in the field.

How do you see inhaled sedation fitting into the US healthcare system?

We estimate the market potential for our inhaled sedation products in the United States to be more than three times the combined market potential of our current direct markets in Europe. Several factors contribute to this significant opportunity, including larger population size, medical practice that signifies a greater degree of intubation and an attractive overall price level. Our offering fits well into the US healthcare and reimbursement system, and with a potentially significant positive impact on hospital finances, we consider ourselves to be well positioned for a successful launch in the United States.

Do you see any differences in how much training will be required for US healthcare professionals compared to the training that has taken place in Europe?

The training need not be any more extensive, but role allocation is different in an intensive care unit in the United States than in Europe. In the United States, respiratory therapists are responsible for the ventilator and everything in the breathing circuit and consequently are responsible for the connection and replacement of Sedaconda ACD. This means that the training needs to be modified so that each professional category can master its part of the therapy. While more people need training, it is easier for the nurses, who do not have to manage the parts of our therapy that affect the respiratory circuit, beyond dosage. For respiratory therapists, Sedaconda ACD is regarded as an exciting innovation for which they take responsibility.

How are you preparing for expected FDA approval and commercial launch?

The preparations encompass many areas: We are working with our investigator clinics to understand how best to train and assist in the implementation of inhaled sedation in intensive care units in the United States. We support investigators wishing to present the INSPiRE-ICU studies with literature and scientific summaries, and will also encourage investigator-initiated studies in the US pending approval. We are working on therapy training for ventilator patients for different staff groups and are also identifying congresses and meetings for future attendance and marketing. We are examining the reimbursement systems in the United States and the decision-making processes relating to new combination therapies, to position ourselves as well as we can at the time of launch and make it easy for decision-makers to adopt our therapy. As we move closer to approval, we plan to build up our own US organization in what we consider to be the best way to launch our therapy.

Toward a launch in the United States

Based on the INSPIRE-ICU study program, Sedana Medical intends to submit an application for US market approval for Sedaconda ACD and isoflurane. Subject to FDA approval, the aim is a potential US launch in 2027.

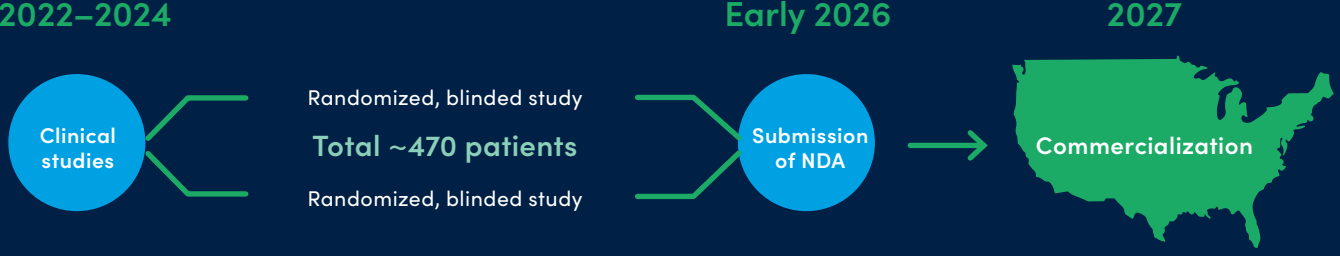
Sedana Medical judges that the company can maximize shareholder value by launching its products commercially in the United States under its own auspices.

Ongoing and future key activities linked to this are:

- analyzing the US market at regional and hospital levels, including pricing and remuneration systems;
- creating a better local clinical understanding, for instance through local advisory boards);
- expanding the US organization with the build-up of a dedicated sales force in the United States;

> “The therapy may come to have a significant positive impact on hospital finances, making us well positioned for a successful launch.”

Clinical studies are expected to lead to market approval



Fast Track Designation

In January 2023, the FDA granted fast track designation (FTD) for the evaluation of isoflurane delivered via Sedaconda ACD-S for the sedation of mechanically ventilated intensive care patients in the United States. Fast Track is a process designed to facilitate development and expedite the review of therapies that treat serious conditions and fulfil an unmet medical need. The purpose is to get important new therapies to the patient earlier.

Thanks to FTD, Sedana Medical has been able to benefit from more frequent communication with the FDA. In addition, FTD programs may be entitled to accelerated approval and priority review if certain criteria are met. A further benefit may be rolling review, which means that completed sections of applications can be submitted one by one instead of all sections needing to have been completed prior to submission.

Registration via 505(b)(2) pathway

For the US market, the FDA has approved Sedana Medical following the 505(b)(2) registration pathway, which simplifies the company's options regarding using data gathered previously. This registration is usually less demanding than 505(b)(1), which is used for completely new drug substances.

Direct sales in key European markets

Sedana Medical's market consists of mechanically ventilated patients in need of sedation in intensive care units around the world.

Geographically, Sedana Medical has a clear focus on the company's current direct markets in Europe (Germany, Spain, France, the United Kingdom and Ireland, the Nordics and Benelux) and the company's largest potential market, the United States. In the company's direct markets in Europe, just under 1 million intensive care patients need mechanical ventilation and sedation every year.[2] Based on this patient population, according to Sedana Medical the market potential for the company's current product portfolio is approximately SEK 3–4 billion. Market potential is expected over time to increase in line with demographic trends.

Effective direct sales – the cornerstone of Sedana Medical's success

Sedana Medical addresses its most important markets in Europe with its own sales forces consisting of product specialists who are mostly former nurses with intensive care experience of their own. These experts train the clinics in correct use and implementation of the therapy.

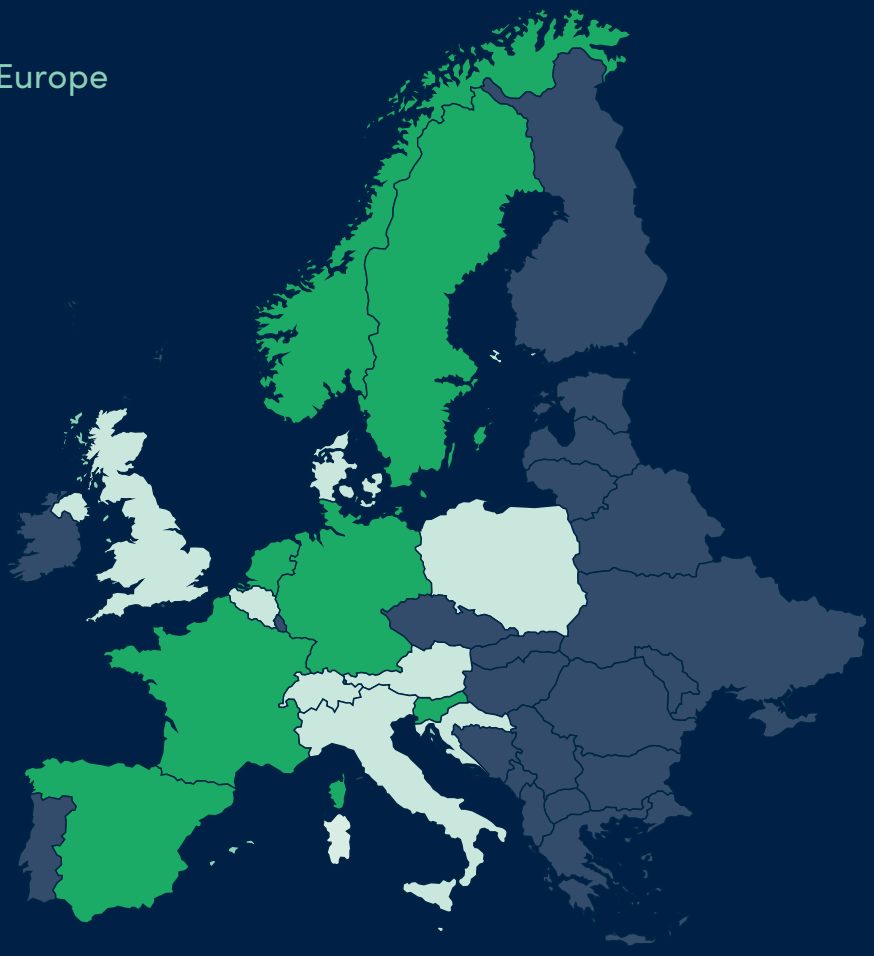
Sedana Medical has direct sales in Benelux, France, the Nordics, Spain, the United Kingdom and Germany, which is Sedana Medical's largest market, accounting for

[2] *Based on publicly available data per country and Sedana Medical's own analyses.*

Sedana Medical covers most of Europe

- **Countries where Sedaconda (isoflurane) has been launched**
  The pharmaceutical product has so far been launched in Germany, Sweden, Norway, the Netherlands, France and Spain, as well as in Slovenia through a distributor.
- **Countries where Sedaconda (isoflurane) is approved**

  Sedaconda (isoflurane) is approved by national authorities in 15 countries: Austria, Belgium, Croatia, Denmark, France, Germany, Italy, the Netherlands, Norway, Poland, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.



around 60 percent of the company's sales in 2024. Other direct markets contributed around 30 percent. Since the Spanish Ministry of Health granted price and reimbursement approval for the pharmaceutical product Sedaconda (isoflurane) in 2023, Spain has been Sedana Medical's fastest-growing market. Several customers in Spain waited for the price and reimbursement decision before introducing inhaled sedation in their hospitals. The same applies to the United Kingdom, which has shown faster growth than other countries thanks to the MHRA approval at the end of 2023. In most of the rest of Europe, as well as other parts of the world, the company uses distributors.

The target groups include intensive care doctors and purchasing decision-makers for medical devices and pharmaceutical products. The customer base is dominated by university hospitals and large and medium-sized hospitals, where the products are bought through the hospitals' purchasing departments. Sedana Medical often attends international and national congresses to increase awareness of the therapy. The sales efforts are adapted to different countries and regions, but common to these efforts is an endeavor to create demand among healthcare professionals by making clear the benefits of inhaled sedation for patients in day-to-day ICU activity, as well as clarifying the health-economic benefits for the hospital to the purchasing departments and other decision-makers.

Sedana Medical focuses on building a commercially strong company by directing investments towards profitable growth opportunities and improving the efficiency of the sales organization. The company invests selectively in countries with good growth and positive cash flows, such as Germany and Spain, while investments in areas with lower potential are carefully adapted until the company is clearly trending towards break-even. This strategic approach ensures positive contributions over time from all markets. At the same time, steps are taken to increase efficiency in the sales force, for example through greater customer contact, a better customer-cultivating process, a more effective sales model and a more rigorous follow-up process.

DISTRIBUTOR MARKETS:

A way to establish inhaled sedation in new markets

Sedana Medical cooperates with distributors as a quick and low-risk way of establishing Sedaconda ACD in intensive care in countries where the company does not have direct sales.

In addition to the company's primary focus on Europe and the United States, Sedana Medical has distributors in more than 30 countries on all continents.

There is also great interest in inhaled sedation outside Europe and the United States, and Sedana Medical has seen increasing demand for Sedaconda ACD in other parts of the world. It is clear that the positive trend for inhaled sedation on the Spanish market is contributing to increasing awareness and customer interest in Latin and South America.

Markets are evaluated continuously, where market potential, availability and necessary investments justify registration of Sedaconda ACD and/or isoflurane. In the short term, Sedana Medical has no intention of establishing a presence with its own direct sales channels in markets outside Europe, except in the United States, but considers that these markets may be of potential interest for direct sales in the long term.

The Sedaconda study – a decisive breakthrough and the basis for market approval in Europe

The clinical phase III study Sedaconda (SED001), showed that Sedaconda (isoflurane), delivered via Sedaconda ACD, is an effective therapy for sedation of mechanically ventilated intensive care patients, comparable to propofol. In addition, the study shows that the therapy enables faster and more controlled wake up, reduced need for opioids and a higher proportion of spontaneous breathing, which improves the prospects of maintained lung function during and after ventilator therapy compared to propofol.

301

patients included in the study

The study took place over the period 2017–2019 at 21 clinics in Germany and three in Slovenia, and included 301 mechanically ventilated intensive care patients in need of sedation.

The study results are the single greatest advance for inhaled sedation since Sedaconda ACD was developed, and form the basis for Sedana Medical's European market approval. In August 2021, the study results were published in the highly respected scientific journal The Lancet Respiratory Medicine.

Unique patented technology in innovative therapy

Sedana Medical's offering consists of the medical device Sedaconda ACD (Anesthetic Conserving Device), the pharmaceutical product Sedaconda (isoflurane) and accessories.

Sedaconda ACD, intended for single use and replacement every 24 hours, is a unique and innovative device for simple and effective delivery of volatile anesthetics that works smoothly in combination with ventilators, syringe pumps and gas analyzers already in place in ICU. For the customers, this means that they can manage without expensive new investments in equipment. Sedaconda ACD is protected by a number of different patents, and the therapy as a whole enjoys data exclusivity in Europe until 2031, making Sedana Medical the only company approved to market inhaled sedation in intensive care.

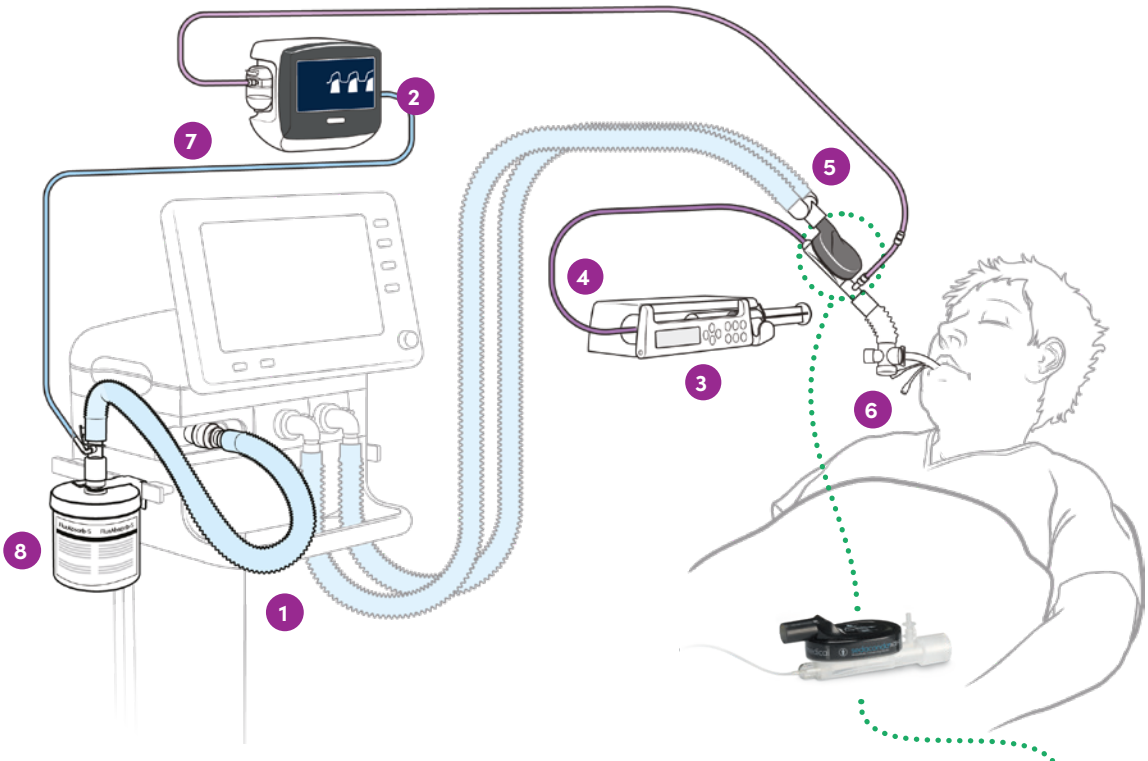
The Sedaconda ACD is used in combination with a ventilator (1), a gas analyzer (2) and a syringe pump (3). The specially designed syringe (with a unique connector) is placed in a standard syringe pump. The Sedaconda ACD is placed between the Y-piece (5) and the endotracheal tube (6). Sedaconda (isoflurane) is delivered from the syringe through the agent line (4) to the Sedaconda ACD, where the pharmaceutical product is vaporized. The vaporized gas is delivered with the inspiratory flow from the ventilator to the patient. Approximately 90 percent of the anesthetic agent in the expired air is absorbed by the carbon filter, released and returned to the patient during inhalation. The remaining anesthetic agent passes through the ventilator, out through the exhaust line and is collected by the company's FlurAbsorb filter or by an active gas scavenging system (8).

1. Ventilator
2. Gas analyzer
3. Syringe pump
4. Anesthetic agent line
5. Y-piece
6. Endotracheal tube
7. Gas sampling line
8. Passive gas scavenging system

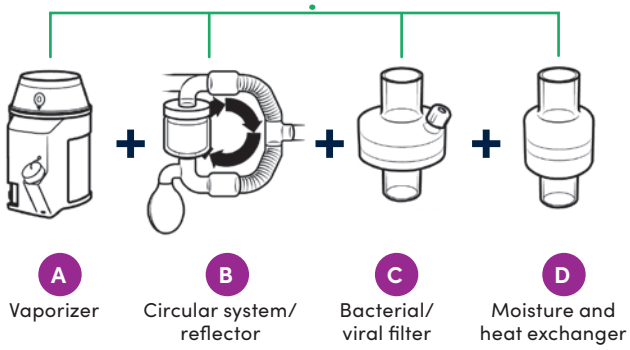
Sedation of mechanically ventilated intensive care patients

Almost half of all patients in an intensive care unit need help with breathing from a ventilator. Patients need to be sedated (lowering the level of consciousness) to cope with mechanical ventilation and other necessary therapies. Every year, around eight million mechanically ventilated patients in intensive care globally are sedated. The patients are mostly sedated for two to five days. Inhaled sedation meets several of the challenges posed by present-day standard therapy with intravenous drugs.

Sedaconda ACD is compatible with common ICU equipment

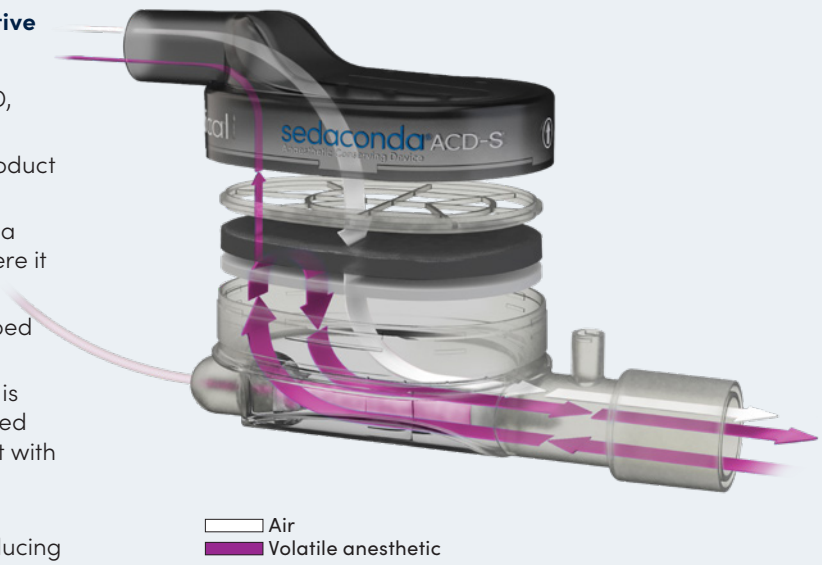


Sedana Medical's unique and patented technology combines four functions – vaporization, reflection, filtration and humidification – in a single device: (A) a unique miniature vaporizer (required for controlled production of the anesthetic gas), (B) a reflector with a unique activated carbon filter (for recirculation of the anesthetic gas, (C) a bacterial/viral filter, and (D) a moisture and heat exchanger.



Sedaconda ACD – **enables simple and effective delivery with a high level of re-use**

- Liquid anesthetic is delivered to the Sedaconda ACD, where it is vaporized.
- During inhalation the vaporized pharmaceutical product is transported to the patient.
- The pharmaceutical product is rapidly distributed via the lungs and the blood circulation to the brain, where it exerts its desired effect.
- Pharmaceutical product in the exhaled air is absorbed in the filter in the Sedaconda ACD.
- On the next inhalation, the pharmaceutical product is released from the filter, combined with new vaporized pharmaceutical product and returned to the patient with the airflow.
- Approximately 90 percent of the pharmaceutical product is recirculated in this way to the patient, reducing consumption.



Sedation in ICU

Increased use of inhaled sedation in intensive care is a potential paradigm shift in the care of critically ill patients.

Formulation of problem

Intensive care units treat severely ill patients with life-threatening conditions such as trauma, organ failure, sepsis and acute lung failure. Many of these patients need mechanical ventilation to breathe.

Sedation is used to manage this and reduce the patient's discomfort, also facilitating medical actions. It is usual for sedation to continue for several days. There are challenges with present-day intravenous sedation, often due to the intravenous drugs accumulating in the body over time. The challenges include long wake up times, complicated monitoring of pharmaceutical product levels and side effects such as development of tolerance and delirium.

All these problems prolong the period of care in the intensive care unit and can affect the patients' survival and cognitive function. In addition, intravenous sedation can be problematic due to impaired liver and kidney function in intensive care patients, which can lead to drug accumulation and increased mortality in long-term ventilated patients.[3] Due to the risks of intravenous sedation, there are recommendations restricting the use of common sedatives such as propofol and benzodiazepines, but these are still used because there are limited options.

> "Due to the medical benefits of inhaled sedation, this therapy could potentially lead to a paradigm shift in ICUs."

Inhaled sedation has several medical benefits compared to traditional alternatives:

- **Rapid and predictable wake-up:** Wake-up times are short (10–20 minutes) and predictable[4]. It reduces time to extubation (disconnection from ventilator), improves clinical workflow and facilitates patient rehabilitation after therapy.
- **Better control of depth of sedation:** Inhaled sedation enables simpler control of depth of sedation[5], which reduces the risk of over- or under-sedation and simplifies wake up to check neurological status. This also reduces the need for computed tomography (CT) scans.
- **Fewer side effects:** Hallucinations and delirium occur less frequently[5].
- **Effective elimination via the lungs:** Pharmaceutical products for inhaled sedation are in principle eliminated only via the lungs, minimizing the need for metabolism in the liver or kidneys. This makes inhaled sedation also suitable for patients with liver and kidney disease[4].
- **Reduced opioid use:** Through sedation with isoflurane, the dose of analgesics such as remifentanil and other opioids can be reduced by approximately 30 percent compared to intravenous sedation[6]. This means a reduced risk of dependency, withdrawal symptoms, delirium and impaired bowel function[7].
- **Improved spontaneous breathing:** A higher proportion of spontaneous breathing improves the prospects of maintained lung function during and after ventilator therapy[8].

Sedation means putting a patient into a medically induced state of reduced consciousness to relieve anxiety, agitation and pain, traditionally through intravenously delivered pharmaceutical products.

Expectations for a modern sedative for use in ICU are:

- \+ Fast-acting (the patient is sedated quickly)
- \+ Good controllability of depth of sedation
- \+ Few side effects
- \+ Rapid wake up (which requires a low degree of accumulation and absence of active metabolites)
- = **All these expectations can be met by inhaled sedation**

Health-economic benefits

A post-hoc analysis published in the Journal of Critical Care in June 2023 shows that sedation with isoflurane as the primary sedative in mechanical ventilation for the first 30 days leads to substantially more ICU-free days than intravenous sedation with propofol. The difference was four days.

2–4,000

EUR per bed day in ICU

At an average cost of EUR 2,000–4,000 per bed day and patient in Europe, intensive care patients are expensive for hospitals. The cost of intensive care patients is estimated to be three to five times higher than that of patients in ordinary hospital wards.

At an average cost of EUR 2,000–4,000 per bed day and patient in Europe, intensive care patients are expensive for hospitals. The cost of intensive care patients is estimated to be three to five times higher than that of patients in ordinary hospital wards. By reducing the number of bed-days in intensive care, care costs can be lowered, while the patient's prognosis is improved.

The daily cost of intravenous sedation varies sharply between countries, and the picture is complicated by different combinations of sedatives (for example propofol and midazolam) being used and dosage varying depending on the patient's weight, condition and tolerance. It leads to significant variations in the cost of intravenous sedation.

As early as 2022, the UK National Institute for Health and Care Excellence (NICE) recommended the Sedaconda ACD as a cost-saving option for delivering inhaled sedation in intensive care. According to NICE, cost modelling has identified savings of up to GBP 4,000 per adult patient compared to intravenous sedation (30 days timeframe for adult patients needing mechanical ventilation for 24 hours or longer in intensive care).

Footnotes – see Literature references on page 78.

Complementary studies for wider use

Sedana Medical is continuing to work on securing medical evidence demonstrating that inhaled sedation is a better and more cost-effective therapy than the current standard therapy, for more and more patient types.

In addition to the company's studies in the United States, a pediatric study has been conducted in Europe in recent years (IsoCOMFORT), with the aim of also being able to offer inhaled sedation to children. At the end of 2024, this study resulted in a positive decision from the authority, and we are now moving forward with national market approvals. In addition to its own clinical studies, Sedana Medical supports independent research in inhaled sedation.

IsoCOMFORT (SED002)

Sedana Medical's pediatric study

In 2021–2023, Sedana Medical conducted a pediatric clinical phase III study, IsoCOMFORT (SED002), which compared efficacy and safety for Sedaconda (isoflurane), delivered via Sedaconda ACD-S, with intravenous midazolam for the sedation of mechanically ventilated patients aged 3–17. The patients were sedated for 12–48 hours with one of the methods of sedation, and the primary endpoint was the proportion of time spent at adequate depth of sedation. The study covered around 90 evaluable patients from intensive care units in Germany, France, Spain and the United Kingdom.

The main results were published in the clinical trials database EudraCT in November 2023. Soon afterwards, Sedana Medical was able to announce that the Pediatric Committee of the EMA (European Medicines Agency) had issued a positive opinion regarding compliance of the company's pediatric investigation plan, which confirms data exclusivity and market protection for Sedaconda (isoflurane) until 2031. Sedana Medical applied for a pediatric indication in December 2023 and received positive feedback from the authorities in all the countries involved in December 2024 that the pediatric indication for Sedaconda (isoflurane) is ready for approval in Europe. This is the final step before 14 European countries can issue national market approvals.

90

evaluable patients

The study covered around 90 evaluable patients from intensive care units in Germany, France, Spain and the United Kingdom.

Toward a sustainable future in healthcare

Sedana Medial is continuously working to take practical steps toward becoming a more sustainable company in terms of environmental impact, social factors and corporate governance, while improving care for critically ill patients. We see sustainability as a natural part of being a responsible business partner, an attractive employer and a long-term investment for our shareholders.

Sedana Medical's Code of Conduct constitutes a framework for what the company considers to be responsible and appropriate conduct. Sedana Medical also supports the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. Furthermore, the company has identified a number of the UN Sustainable Development Goals (SDGs) as being particularly relevant to our business, namely SDG #3 Good Health and Well-being, SDG #12 Responsible Consumption and Production.

The company strives for openness and transparency in its business operations, and further development of its work on sustainability in all its forms is an ongoing process. Sedana Medical has an ESG committee that has overall responsibility for our sustainability work. Our ESG Committee in turn has a dedicated working group focusing on sustainability issues from an environmental perspective, led by a Sustainability Officer. Through the acquisition of Innovatif Cekal, the supplier of the company's main product Sedaconda ACD, announced in July 2024, Sedana Medical is taking direct control of a larger part of its cost of goods and production capacity. The acquisition also increases Sedana Medical's options to control the company's production chain from an ESG perspective.

Environmental sustainability: Reducing environmental impact while improving patient care

Like modern society in general, the healthcare sector is striving to reduce its environmental impact. Our medical device Sedaconda ACD is a good example of how new innovation can promote both patient care and sustainability. By recovering and reusing anesthetic gases, the

Sedaconda ACD significantly reduces the volume of gases released into the atmosphere, while maintaining good patient care. In addition, we have clinical evidence that inhaled sedation, as opposed to intravenous sedation, reduces intensive care unit length of stay. This reduction not only speeds up patient recovery but also reduces emissions generated in ICU, which can amount to almost 200 kg of carbon dioxide equivalent per patient per day. In 2024, we commissioned a Care Pathway Assessment in the UK, which confirmed that length of stay in ICU has a significant impact on emissions, water use and waste.

The transition to sustainable practices in healthcare requires a critical evaluation of environmental metrics. For several decades, Global Warming Potential (GWP) has been a reference value for assessing the greenhouse effect of emissions in the atmosphere. However, as Sedana Medical's understanding of our climate impact has deepened, it has become clear that GWP alone is not sufficient to capture the nuanced impact of medical emissions. For example, volatile anesthetics have GWP values significantly higher than carbon dioxide over a 100-year period. However, their environmental impact cannot be fully understood without taking into account other important factors such as persistence and accumulation in the atmosphere. From this broader perspective, the impact of volatile anesthetics is significantly lower due to their relatively short lifetime in the atmosphere.

Sedana Medical's greenhouse gas emissions

In 2024, Sedana Medical has conducted the company's first energy consumption and climate footprint survey, based on data from 2023. The survey is based on the Greenhouse Gas Protocol (GHG Protocol) and comprised the company's global organization. The methodology used is operational control, to reflect the company's use of leased cars and electricity and heating of office premises in Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy). Scope 3 (indirect supply chain emissions) includes emissions associated with the production and purchase of goods and services, transport, and business travel.

The main result from the survey is that Sedana Medical's operations generated emissions amounting to 1,370 tonnes of CO2e in Scope 1–3 in 2023, which corresponds to 8.91 kg CO2e per KSEK of net sales (MSEK 153.9 net sales in 2023). In addition, we have limited biogenic CO2 emissions of 10 tonnes of CO2e linked to our fuel consumption (Out-of-scope). Scope 1 accounts for 16% of emissions, Scope 2 for 1%, Scope 3 for 82% and Out-of-scope for 1%. Scope 1 emissions are entirely linked to fuel consumption in the cars used by our sales representatives when visiting hospital customers, i.e. diesel, gasoline and a small amount of electricity (228 tonnes CO2e). Scope 2 emissions amount to only 12 tonnes of CO2e and consist of electricity consumption at our offices, primarily our office in Germany, since our Swedish head office has 100% renewable electricity. Scope 3 emissions account for a clear majority of Sedana Medical's emissions (1,128 tonnes of CO2e), and thus represent the largest source of potential future emission reductions. The main subcategories of scope 3 are production, transport of goods and business travel. Business travel is the single largest emission category with 623 tonnes of CO2e, and around 95% of this is air travel.

Distribution of emissions between Scope 1 and 2, Scope 3 categories, and Out-of-scope

Scope & Category	Tonnes CO_2e	Share of total (Sc. 1–3 & OOS)
Scope 1 - Fuel consumption	228.3	16.6%
Scope 2 - Purchased electricity & heat	12.0	0.9%
Scope 3.1 Purchased goods - CMO products	408.5	29.8%
Scope 3.1 Purchased goods – TPI products	6.0	0.4%
Scope 3.3 Upstream emissions electricity production	6.5	0.5%
Scope 3.3 Upstream emissions fuel production	55.6	4.1%
Scope 3.4 Upstream transport	29.7	2.2%
Scope 3.6 Business travel	622.7	45.4%
OOS - Biogenic CO2 from fuel consumption	10.2	0.7%

Life cycle assessment for our most important products

In addition to surveying our energy consumption and climate footprint as a company, Sedana Medical has also carried out detailed life cycle assessments for our most important products to survey total emissions and other environmental impacts at product level, including steps outside Sedana Medical's direct control, such as the production of raw materials for our products and further handling of our products after use in healthcare. These life cycle assessments have been carried out by an independent supplier in accordance with ISO 14040:2006 and ISO 14044:2006, and help us to further optimize our products and supply chain from a resource and sustainability perspective.

As a pioneer and leader in the field of inhaled sedation, we wish to take our responsibility to design a sustainable method of therapy and reduce our environmental impact while improving patient care.

In years to come, we will continue our environmental sustainability work with the following focus:

- Compliance and reporting: We will continue to survey our environmental impact by updating the collation of our greenhouse gas emissions and producing life cycle assessments of new products. We will also start preparing for reporting under the Corporate Sustainability Reporting Directive (CSRD).
- Environmental standards and certificates: To strengthen our corporate governance in sustainability, we will start working towards ISO 14004 certification.
- Reduced resource use and emissions: In 2024, we carried out a relocation of our headquarters to new premises, which led to a reduction in energy consumption for the company. In 2025, we will evaluate a number of different options for reducing our carbon footprint:
  - Sustainable material choices and packaging
  - More environmentally friendly goods transport
  - More environmentally friendly options for business travel

Social sustainability

Sedana Medical endeavors to be an attractive and inclusive employer, and this work is governed by the company's HR policy. The company is developing, which means that the need for staff and skills is changing. In 2024, the company welcomed several new colleagues, people who

in their respective roles will strengthen the organization, while some colleagues also left Sedana Medical. In 2024, the Group had an average of 83 (79) full-time employees and 6 (7) consultants in 9 (8) countries. The number of staff grew at the end of 2024 as a result of the acquisition of Innovatif Cekal, when we welcomed 38 new employees based in Malaysia (including 9 consultants). Excluding Innovatif Cekal, the Group's average number of full-time employees was 74 (79) and consultants 5 (7). In terms of total head count (i.e. regardless of full-time or part- time positions), the total number of employees was 109 and the total number of consultants was 16 at the end of the period, compared to 79 and 7 respectively at the same time in the previous year.

At Sedana Medical we believe our diversity is a strength. We have a clear recruitment process based on skill and experience and use a structured process with evidence-based questioning, to ensure that we do not discriminate. To make it easier for staff to develop further, the company has a mentorship program for people who are new to staff-managing positions. These are paired with people in the organization who have great experience of leadership and can act as a sounding board for the new employee during their initial period at the company. Sedana Medical's ambition is to have a workplace free from work-related injuries or accidents. A working environment handbook is available for all employees with mandatory training during onboarding.

The handbook contains a gender equality and diversity policy, a policy regarding harassment, discrimination and discriminatory treatment. The handbook also states that employees must report any occupational injuries. There is a union safety representative at head office for issues related to the working environment, as well as a process for systematic and regular review. The company regularly conducts staff surveys as a basis for changes and improvements. Sedana Medical staff are encouraged to report openly any offences or unethical behavior to their line manager, the head of HR or the chief legal officer, or by using Sedana Medical's whistleblower system, Speak-Up, in accordance with the company's whistleblower policy.

The whistleblower system, which is provided by an independent external party, makes anonymous dialogue possible between the employee and the company and is an important tool in drawing attention to and counteracting behavior that is not compatible with Sedana Medical's values at an early stage. All notifications made through Speak-Up are reviewed by the Legal Department and investigated according to Sedana Medical's whistleblower policy and followed up with suitable action where necessary. No forms of reprisal against anyone expressing concern or opinions, reporting irregularities in good faith or taking part in an investigation of a case are tolerated. No reports of irregularities were received through the system in 2024.

Sustainability regarding corporate governance

Sedana Medical endeavors always to act ethically, and we expect a high ethical standard from all our staff. Competent, responsible and committed staff are crucial to the company's ambition to act responsibly towards all counterparties and society at large. We sell our products directly to hospitals through dialogue with healthcare professionals and administrative staff, either on site at the hospital or at industry conferences. In some markets the company also takes part in public procurements. In interactions with our customers there is a risk of undesirable behavior on the part of our employees, including corruption. To manage these risks, the company has a Code of Conduct, which applies to all employees, the Board of Directors, consultants and temporary staff, as well as an anti-corruption policy. The Code of Conduct includes sustainability, the work environment, health and safety, the environment, gender equality and purchasing. Both these documents are regularly updated to reflect our business and its risks.

Sedana Medical successively introduces clauses into its agreements with its suppliers in which they undertake to comply with its Code of Conduct. This is a continuously ongoing dialogue with our suppliers and is reviewed on a regular basis. Compliance with our Code of Conduct plays a significant role in choice of supplier and continuation of the relationship. We have an ongoing dialogue and regularly review our suppliers. If any findings and non-conformances are found, we work together with the supplier concerned to correct the non-conformance. There is zero tolerance of all forms of inappropriate payment, direct or indirect, regardless of whether it concerns a direct bribe or other type of payment, gift, benefit, remuneration or other representation that could constitute a breach of law, or which could influence or be thought to influence judgment.

Sedana Medical's devices and products are developed and manufactured in accordance with quality-controlled processes. The company has a quality management system that fulfils the requirements of ISO 13485 (design and manufacturing of medical devices) and MDR 2017/745 and holds MDSAP (Medical Device Single Audit Program) certificates for Canada and Japan, among other countries, which certify compliance with standard and statutory requirements for medical devices. The company furthermore has wholesale licenses and a certificate showing that the company complies with the rules for Good Distribution Practice for pharmaceutical products.

Sedana Medical's quality management system is evaluated by both internal and external reviewers, and regular inspections are made by both authorities and the company. Sedana Medical regularly reviews its suppliers, and if any findings and non-conformances are found, the company works with the supplier concerned on the basis of established procedures and standards to correct the non-conformance. In its research and development work, Sedana Medical complies with the Declaration of Helsinki covering ethical principles governing how research and development involving humans must be conducted, as well as international standards such as Good Laboratory Practice (GLP) and Good Clinical Practice (GCP). Sedana Medical works closely and in dialogue with the healthcare system as well as competent authorities in the market concerned to understand needs that change and to be able to act quickly and correctly in response to any complaints linked to the company's devices and production or action.

Share information and shareholders

The Sedana Medical share was listed on Nasdaq First North Growth Market in June 2017, and has been listed on Nasdaq Stockholm since 25 January 2023. The share is included in the OMX Stockholm PI index.

Share capital

The total number of shares outstanding at 31 December 2024 was 99,336,960. At year-end, share capital totaled SEK 2,483,424. Each share entitles the holder to one vote at the general meeting of shareholders, and each shareholder has the right to vote for the full number of shares they hold. All outstanding shares are fully paid up. The company's share capital is expressed in Swedish kronor (SEK) and distributed across the company's outstanding shares at a quotient value of SEK 0.025 per share.

Share trading

The price paid at the beginning of the year was SEK 23.16, and the last price paid at the end of the year was SEK 18.12. During the year a total of 73 million Sedana Medical shares were traded to a value of SEK 1.2 billion, which is equivalent to a turnover rate of around 73 percent. On average, around 291,000 shares were traded per trading day.

Price trend

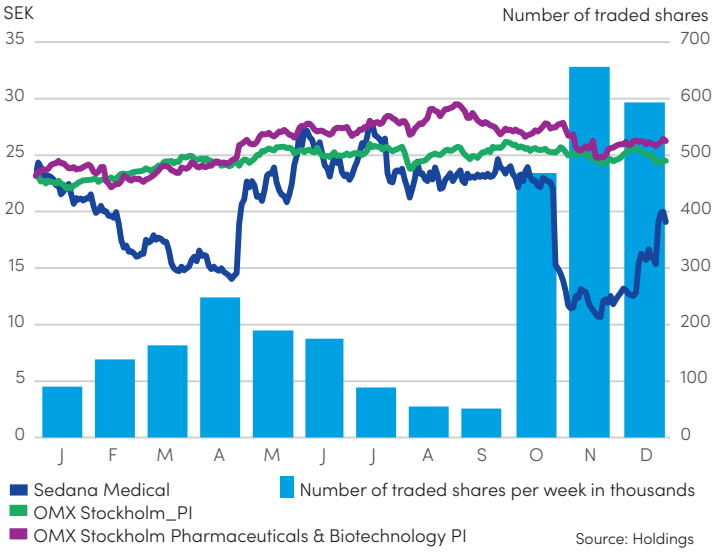
Sedana Medical's share price fell by 22 percent during the year, while the OMX Stockholm Mid Cap Index rose by 16 percent over the same period. The highest price paid was SEK 28.05, recorded on Jul 12, 2024, and the lowest price paid was SEK 10.16, recorded on Nov 18,2024. At the end of 2024, the Sedana Medical share price was SEK 18.12, equivalent to a market capitalization of SEK 1,800 million.

Trend in share capital over time

Date of decision	Event	Change in shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)	Quotient value (SEK)
Oct 20, 2004	New formation	1,000	1,000	100,000	100,000	100
Oct 31, 2009	New share issue	430	1,430	43,000	143,000	100
May 5, 2011	New share issue	500	1,930	50,000	193,000	100
Sep 14, 2015	New share issue	240	2,170	24,000	217,000	100
Apr 5, 2017	Bonus issue	6,510	8,680	651,000	868,000	100
Apr 5, 2017	Split	8,671,320	8,680,000	0	868,000	0.1
Jun 20, 2017	Conversion of shareholder loans	613,594	9,293,594	61,359	929,359	0.1
Jun 20, 2017	Exercised convertible bonds	1,881,509	11,175,103	188,151	1,117,510	0.1
Jun 20, 2017	New share issue on IPO	5,128,205	16,303,308	512,821	1,630,331	0.1
Jul 10, 2017	Overallotment option after IPO	769,230	17,072,538	76,923	1,707,254	0.1
Feb 5, 2018	Conversion of warrants to shares, 2014/2019 program	208,000	17,280,538	20,800	1,728,054	0.1
Jun 4, 2018	New share issue	1,728,053	19,008,591	172,805	1,900,859	0.1
Oct 10, 2018	Conversion of warrants to shares, 2014/2019 program	148,000	19,156,591	14,800	1,915,659	0.1
Mar 27, 2019	Conversion of warrants to shares, 2014/2019 program	120,000	19,276,591	12,000	1,927,659	0.1
May 24, 2019	Conversion of warrants to shares, 2014/2019 program	140,000	19,416,591	14,000	1,941,659	0.1
Jun 14, 2019	Conversion of warrants to shares, 2014/2019 program	220,000	19,636,591	22,000	1,963,659	0.1
Aug 5, 2019	Conversion of warrants to shares, 2014/2019 program	100,000	19,736,591	10,000	1,973,659	0.1
Aug 28, 2019	Conversion of warrants to shares, 2014/2019 program	104,000	19,840,591	10,400	1,984,059	0.1
Oct 24, 2019	New share issue	2,896,000	22,736,591	289,600	2,273,659	0.1
May 20, 2020	Conversion of warrants to shares, 2017/2021 program	310,149	23,046,740	31,015	2,304,674	0.1
May 10, 2021	Split 4:1	69,140,220	92,186,960	0	2,304,674	0.025
Dec 2, 2021	New share issue	7,150,000	99,336,960	178,750	2,483,424	0.025

*) Adjusted for the split carried out in May 2021.

Sedana Medical's share price trend and turnover



Source: Holdings

Facts about Sedana Medical shares

Trading venue	Nasdaq Stockholm
Number of shares at Dec 31, 2024	99,336,960
Market capitalization	1,800 MSEK
Ticker	SEDANA
ISIN	SE0015988373
LEI code	549300FQ3NJRI56LCX32

The 15 largest shareholders at 31 December 2024

	Number of shares	Holding
Linc AB	12,796,076	12.9%
"Anders Walldov directly and indirectly (Brohuvudet AB)"	10,000,000	10.1%
Lannebo Kapitalförvaltning	7,013,727	7.1%
Swedbank Robur Fonder	4,424,536	4.5%
"Ola Magnusson directly and indirectly (Magiola AB)"	4,312,288	4.3%
Sten Gibeck	4,196,597	4.2%
Premier Miton Investors	3,834,481	3.9%
Avanza Pension	3,161,305	3.2%
Lancelot Asset Management AB	2,850,000	2.9%
Handelsbanken Fonder	2,833,228	2.9%
AMF Pension & Fonder	2,491,000	2.5%
Highclere International Investors LLP	2,341,432	2.4%
Amundi	2,029,593	2.0%
Tedsalus AB (Thomas Eklund)	1,666,464	1.7%
Nordnet Pensionsförsäkring	1,398,790	1.4%
Fifteen largest shareholders	**65,349,517**	**65.8%**
Other	33,987,443	34.2%
Total	**99,336,960**	**100.0%**

Source: Modular Finance

Shareholder distribution by size

	Number of share-holders	Number of shares	% capital	% share-holders
1–100	2,915	105,131	0.1%	38.5%
101–200	805	125,732	0.1%	10.6%
201–500	1,089	385,178	0.4%	14.4%
501–1,000	911	727,987	0.7%	12.0%
1,001–2,000	699	1,063,242	1.1%	9.2%
2,001–5,000	563	1,891,203	1.9%	7.4%
5,001–10,000	268	2,016,688	2.0%	3.5%
10,001–20,000	142	2,038,526	2.1%	1.9%
20,001–50,000	78	2,490,024	2.5%	1.0%
50,001–100,000	36	2,542,689	2.6%	0.5%
100,001–200,000	18	2,463,454	2.5%	0.2%
200,001–500,000	21	6,614,637	6.7%	0.3%
500,001–1,000,000	11	7,904,499	8.0%	0.1%
1,000,001–2,000,000	7	8,700,314	8.8%	0.1%
2,000,001–	12	58,406,102	58.8%	0.2%
Anonymous ownership		1,861,554	1.9%	
Total	**7,575**	**99,336,960**	**100%**	**100%**

Source: Modular Finance

Incentive programs

The purpose of share-based incentive programs is to promote the long-term interests of the Group by motivating and rewarding the company's senior executives and other employees in line with the interests of shareholders. Sedana Medical at present has one performance-based incentive program and two warrant programs that include the company's management and employees.

Performance based incentive program LTI 2024

The Annual General Meeting 2024 decided on a performance-based incentive program LTI 2024 for employees of Sedana Medical, comprising 1,133,810 performance rights in the form of warrants. To ensure the delivery of the warrants and future estimated social security contributions in connection with the exercise of the options, Sedana Medical's subsidiary Sedana Medical Incentive AB has subscribed for 1,490,053 warrants, of which 1,062,803 were allocated to employees as of December 31, 2024. The performance rights have been issued to participants in the program free of charge. Each warrant entitles the holder to acquire one new share in the company at an exercise price of SEK 26.33. The outcome of LTI 2024 is conditional on the company achieving a performance target regarding the average annual growth rate of net sales for the financial years 2024, 2025, and 2026 ("Performance Target"), excluding currency effects. The Performance Target has been determined by the company's board of directors, taking into account the company's business plan and is deemed to be in line with market practice and appropriate. Detailed information on the Performance Target and the outcome of LTI 2024 will be provided during the first half of 2027. If the Performance Target is not fully met, a participant's right to exercise Performance Rights will gradually be reduced to zero, depending on the extent the Performance Target is reached.

At the end of the period, the full utilization of the performance-based incentive program would increase the share capital by KSEK 37 through the issuance of 1,490,053 shares, corresponding to a dilution of 1.5 percent.

Warrant program 2022/2025

The Annual General Meeting of Sedana Medical AB (publ) held on 11 May 2022 resolved on the implementation of two new warrant programs, 2022/2025:1 and 2022/2025:2, mainly for the CEO and certain selected employees. The company therefore issued 895,000 warrants at the AGM, all of which have been subscribed to by the company's subsidiary Sedana Medical Incentive AB. Each warrant entitles the holder to subscribe to one share in the period 30 May to 30 September 2025, at a subscription price of SEK 46.24, equivalent to 140 percent of the volume-weighted average price paid for Sedana Medical shares over the period 28 April to 11 May 2022. A total of 824,947 warrants were transferred to staff in May 2022. Transfers took place against payment of the estimated market value of the warrants calculated by an external valuer according to the Black & Scholes valuation model. The price per warrant was SEK 5.61, based on assumption of a risk-free interest rate during the term of the warrants of 0.4 percent, an estimated volatility for the company's share during the term of the warrants of 37 percent and no dividends or other transfers of value being implemented during the term of the warrants. Volatility has been estimated based on the historical volatility in the company's share. In connection with payment of the warrants, employees received premium subsidies in the form of extra salary amounting to SEK 2.93 before tax per warrant. The subsidy is repaid in whole or part if the employee leaves their employment during the three-year period. If all the warrants are exercised, 824,947 new shares will be issued, which is equivalent to a dilution of around 0.9 percent based on the number of shares in the company at December 31, 2024.

Administration report

The Board of Directors and Chief Executive Officer of Sedana Medical AB (publ), corporate identity number 556670–2519, hereby submit annual accounts and consolidated financial statements for the financial year 2024.

The business in brief

Sedana Medical is a Swedish medtech and pharmaceuticals group. The Group's operations comprise the development, manufacture and sales of medical devices and pharmaceutical products and the development of devices based on, or having synergies with, Sedaconda technology for inhaled sedation. The technology enables the simple, safe conversion of a liquid to a gas (evaporation) and the reuse (reflection) of volatile anesthetics for use in anesthesia and intensive care. The Group's product portfolio currently includes Sedaconda ACD with accessories and Sedaconda (isoflurane), the Group's pharmaceutical product based on the well-known substance isoflurane. Volatile anesthetics have long been used to anesthetize patients in connection with surgery. Complex, capital-intensive anesthesia machines that require specially trained personnel are used for this purpose. Traditional anesthesia machines lack several vital features which mean that they cannot be routinely used in an intensive care unit.

Sedana Medical's device Sedaconda ACD, which in very simple terms can be regarded as an anesthesia machine in miniature, is a solution that makes it practically and financially possible to use volatile anesthetics to sedate mechanically ventilated intensive care patients. The market for the sedation of mechanically ventilated intensive care patients today consists of established drugs that are administered intravenously. Sedation through the inhalation of volatile anesthetics has shown itself in many ways to be a safer, more effective solution for sedating intensive care patients than present-day intravenous sedation. Sedana Medical's vision is to develop inhaled sedation, using Sedaconda ACD and Sedaconda (isoflurane), into the global standard sedation method for mechanically ventilated patients in intensive care. To achieve this vision, the Group has been conducting a clinical phase III study in Europe aimed at gaining approval for the pharmaceutical product Sedaconda (isoflurane) and inhaled sedation therapy using Sedaconda ACD. Sedana Medical received European market approval in autumn 2021. In 2022, two identical phase III studies were initiated in the United States, which were completed in 2024.

Sedana Medical runs its own sales operations from a number of countries in Europe through subsidiaries and branches of the Parent Company Sedana Medical AB (publ), corporate identity number 556670–2519. The business in Germany consists of sales, storage and distribution. In Spain, sales operations are run by a branch office of the Parent Company. Germany is by far the Group's largest market, with around 60 percent of total sales. As well as in Germany and Spain, direct selling takes place in the UK, France, Belgium and the Netherlands through wholly owned subsidiaries. In several other countries around the world, sales take place through partnerships with distributors.

The company conducts R&D in Ireland through a wholly owned subsidiary. At the end of 2024, Sedana Medical acquired its main supplier in Malaysia, which means that the production of Sedaconda ACD devices now takes place in a wholly owned subsidiary. The Parent Company's head office and registered office are in Danderyd, Sweden. In June 2017, Sedana Medical was listed on Nasdaq First North Growth Market Stockholm, and in January 2023 the trading venue for the company's shares changed to Nasdaq Stockholm Main Market (ticker: SEDANA).

Significant events during the year

1st quarter

- Sedana Medical achieved the highest quarterly sales in the company's history in the first quarter, including the Covid-19 period.
- We achieved a positive ex-US EBITDA in the first quarter, which marked the first time in the company's history, with the exception of Q1 2020, when exceptional Covid-related sales resulted in a slightly positive EBITDA.
- An ESG (Environmental, Social, Governance) Committee was established during the quarter to underscore the commitment to building a long-term sustainable and responsible business.

2nd quarter

- Patient recruitment for the clinical program in the United States was completed at the end of May.
- Two new Board members were elected by the AGM in May: Donna Haire and Jens Viebke.

3rd quarter

- In July, Sedana Medical announced the acquisition of Innovatif Cekal, the supplier of the company's main product Sedaconda ACD. Acquiring Innovatif Cekal enables better control of the supply chain and improved profitability by reducing the cost of goods sold.

4th quarter

- In October, Sedana Medical took the decision to integrate the company's European study into the US submission, strengthening the file and altering the timetable.
- In November, Sedana Medical announced that the acquisition of Innovatif Cekal had been completed.
- In December, Sedana Medical received a positive decision to include children (aged 3–17) in the indication for Sedaconda (isoflurane) in Europe. This represented final step before 13 European countries can issue national market approvals.

- In December, Sedana Medical announced that the company's first pivotal study in the United States, INSPiRE-ICU 1, had reached its primary endpoint: to demonstrate that inhaled sedation with isoflurane is an effective sedation method by attaining non-inferiority compared to intravenous sedation with propofol. Safety data were in line with expectations.

Significant events after the end of the period

- in February, Sedaconda (isoflurane) received an additional year of market protection, extending the protection period to 2032.
- In February, Sedana Medical also announced that the company's second pivotal US study INSPiRE-ICU 2 had reached its primary endpoint.
- To date, nine countries, including the company's main market Germany, have granted national approvals for the pediatric indication of Sedaconda (isoflurane).

Anticipated future developments

The Group is working over the coming years to realize its business concept and vision through a clearly defined strategy. The company also has short-term financial targets for its operations.

Purpose

To improve patient life during and beyond sedation.

Vision

To make inhaled sedation a global standard therapy for patients in intensive care.

Financial targets

Sedana Medical's financial target for the full year 2025:

- To achieve a low-to-mid single-figure positive EBITDA margin for the non-US operations by maintaining our growth trend and strict cost discipline.

Strategic priorities

Sedana Medical has three strategic priorities:

1. Achieving lasting and profitable sales growth in Europe
Our market authorizations in 15 European countries make Sedana Medical the only company offering an approved therapy for inhaled sedation in intensive care. With a strong focus on commercial execution and a restrained investment philosophy that prioritizes profitable growth, we aim to make inhaled sedation standard therapy.

2. Maximizing the opportunities in the United States
With more than 100,000 intensive care beds and a generally higher price level for sedation therapies, the United States represents our largest potential market. After completion of our clinical phase III program, which has been granted Fast Track Designation by the FDA, provided approval is obtained, we aim to launch our products through a dedicated commercial organization.

3. Building a long-term profitable company
Sedana Medical's business model with high gross margins and a concentrated customer base (hospitals with intensive care) is advantageous in achieving attractive profitability when sales increase. An important priority is to achieve profitability for the business outside the United States for the full year 2025, so that the US launch can be based on a stable financial platform. Our long-term aim is to reach an EBITDA margin of around 40% when we have scaled up the business and increased the share of sales in the United States.

Risks

Sedana Medical's activities are affected by many factors that the company is partially able to control in some respects but not at all in others. These aspects can also be expressed as various risks. The risks can have a more or less significant impact on the company's earnings and financial position depending on whether and how they arise. Some of the risk factors considered to be of greatest significance for the company's future development are described below.

Risks related to the industry and the business

Risks related to the regulatory environment for medical devices and pharmaceutical products

Sedana Medical's device Sedaconda ACD with accessories and the pharmaceutical product Sedaconda (isoflurane) are subject to extensive regulation worldwide and are monitored by various industry-specific supervisory authorities. In addition to such industry-specific regulation, Sedana Medical is also subject to a number of other requirements and restrictions under the provisions of environmental, health and industrial safety legislation. There may be more such requirements in the future. The costs of compliance with applicable legislation, requirements and guidelines can be high. In addition the regulatory environment in general has become more stringent and extensive over time. If these regulations are not followed, it can lead to sanctions that could significantly increase Sedana Medical's costs, lead to delays in development and the commercialization of the company's candidate devices, and substantially impair ability to generate planned revenue and achieve profitability. If these risks become reality, they could have a significant adverse effect on the company's business and financial position.

Risks related to the product classification system or market access process for medical devices and pharmaceutical products

Before Sedana Medical's device Sedaconda ACD and accessories, either in combination with Sedaconda (isoflurane) or not, may be marketed in the area of inhaled sedation therapy in intensive care in any new national or regional market, the company must obtain market approval or similar authorizations from the relevant authorities in the countries where the company intends to market and sell its products. Changes in the process and requirements for market access may adversely affect Sedana Medical's ability to generate desired revenue. In order for class II and III medical devices to be marketed in the EU, a 'notified body' must first issue a certificate confirming that specified regulatory requirements have been met. The company's present-day certificate includes both the Medical Devices Directive (MDD) and the Medical Device Regulation (MDR) for the medical devices, and is valid until May 26, 2025 and August 25, 2027, respectively. Because decisions taken by notified bodies are valid for a limited time, certificates must be renewed. All the risks described above could have a significant adverse effect on the company's operations, financial position and earnings.

Risks related to the implementation and outcomes of clinical studies

Sedana Medical conducts clinical studies with Sedaconda (isoflurane) for inhaled sedation in intensive care. Conducting studies is crucial in order for the company to market its medical device Sedaconda ACD together with Sedaconda (isoflurane) as therapy for inhaled sedation in intensive care in the markets the company intends to focus on. The company is thus dependent on obtaining positive outcomes in its clinical studies in order to achieve its long-term business objectives. The conduct of clinical trials is associated with a number of risks. Among them there is always a risk of delays and of the costs of studies being higher than expected.

Delays can occur due to problems in finding locations for studies, in gaining the necessary authority approvals for the performance of studies, in recruiting patients, in concluding satisfactory agreements for example with contract research organizations, suppliers, and study sites, etc. Delays can lead to increased costs, but also to late product launches, which may result in the company being unable to generate revenue as planned. Increased costs can also arise due to costs per patient being higher than estimated or a lack of quality in conduct of the study in the hospitals where it is performed, etc. Clinical trials may present negative or inadequate results in the area of therapy that Sedana Medical's devices focus on. If the desired results are not achieved, it may mean that the necessary market approvals fail to be issued, which in turn may jeopardize the company's ability to market and sell its devices and candidate devices. If the above risks become reality, they can have significant adverse effects on the company's ability to generate revenue and on its business, financial position and earnings.

Risks related to competition

Sedana Medical's products for inhaled sedation for intensive care patients are primarily exposed to competition from pharmaceuticals for intravenous sedation. Intravenous sedation is a well-established therapy and the standard therapy for the sedation of intensive care patients today. Even though Sedana Medical believes in the ability of its devices to take market share from companies that sell pharmaceutical products for intravenous sedation, there is always a risk that the company will not achieve the desired market acceptance. And even if Sedana Medical were to succeed in taking market share from conventional methods with sedatives for intravenous sedation, there is a risk of exposure to competition in the indication of inhaled sedation. The risks related to competition could have a significant adverse effect on the company's operations, financial position and earnings.

Risks related to third-party agreements regarding the performance of clinical studies and manufacturing

Sedana Medical engages external companies such as contract, research and manufacturing companies to conduct clinical trials and manufacture its devices. The operations of such companies are subject to extensive requirements regarding reporting, safety and the environment. There is a risk of these companies not complying with applicable legislation, regulations and the relevant ethical standards such as good manufacturing practice (GMP) and good clinical practice (GCP). There is also a risk of deficient or missed deliveries of products or services from external companies engaged today and in the future. This may affect the development and sales of Sedana Medical's devices negatively by causing delays and increasing costs. The company is not dependent on any individual contract research organization or manufacturing company, but changing suppliers can be both expensive and time-consuming. The occurrence of the risks described above could have a significantly adverse effect on Sedana Medical's operations, financial position and earnings.

Risks related to unsuccessful market acceptance from healthcare providers, patients and healthcare purchasers including the possibility of being covered by remuneration systems

Even if a device meets the requirements for market access, such as by obtaining marketing authorization, there is a risk that the desired level of market acceptance will not be achieved from physicians, hospitals, patients, healthcare purchasers and the industry in general, which could prevent Sedana Medical from generating desired revenue and could have a significant adverse effect on the company's operations, financial position and earnings. One aspect of this is that the company's products need to be compatible with other equipment commonly used in intensive care, in particular ventilators. Another important aspect to ensure market acceptance is that Sedana Medical is a responsible partner in sustainability (environmental, social and corporate governance).

Risks related to macroeconomic factors including pricing and demand for medical devices

Because Sedana Medical intends to market and sell its devices in several parts of the world, the company may be affected by general demand and the pricing of devices for sedating intensive care patients in relevant markets. Sedana Medical cannot predict how financial markets and the economic and political climate will develop or predict macroeconomic events. An economic downturn or weak economic development may lead to strains in the market for medical devices and pharmaceutical products, leading to increasing pressure on hospitals, authorities and other healthcare purchasers to cut back on costs, potentially reducing the willingness to pay for such products in general, including those of Sedana Medical. If the risks described above become reality, they could have a significant adverse effect on the company's operations, financial position and earnings.

Dependence on sales and the development of a small number of devices

In the current situation, Sedana Medical is focusing principally on sales of Sedaconda ACD and the pharmaceutical product Sedaconda (isoflurane). The company's growth target is based entirely on technology and one specific field of therapy, inhaled sedation in intensive care. Sedana Medical's operations, financial position and earnings would suffer significant adverse effects from any setbacks for example in the clinical studies.

Risks related to key individuals and qualified personnel

Sedana Medical is dependent on its employees, in particular senior executives and other key staff. The company is dependent on its ability to recruit highly qualified personnel for the continued development of the business. If Sedana Medical were to lose any of its key personnel or fail to recruit qualified personnel, this could have a negative impact on the company's operations, financial position and earnings.

Risks related to the company's protection of its intellectual property rights

Patents and other intellectual property rights are a key asset in Sedana Medical's business, and thus any future successes are thus largely dependent on the opportunities of the company to maintain existing intellectual property rights such as trademarks and patents and to obtain protection for filed and future patent applications. If the company's patents and other intellectual property rights were to be lost, not be approved or be limited, or if the company otherwise cannot maintain the necessary patent protection, this could have a negative effect on the company's operations, financial position and earnings.

Risks related to fluctuating foreign-exchange rates

The company reports its financial position and earnings in Swedish kronor (SEK). On the other hand, a major part of the company's operating costs and almost all revenue is in euros, and in the future the company's operating revenue and costs are expected to comprise other currencies, primarily the dollar. As a result, Sedana Medical is exposed to currency risks in relation to payment flows in and outside Sweden and the eurozone, such as fluctuations where the exchange rate changes from the time when an agreement is concluded until payment takes place under the agreement which can lead to exchange losses or gains ('transaction exposure') that the company cannot predict. Currency transaction losses could lead to significant adverse effects on the company's future operations, financial position and profits.

Risks related to current and additional financing

The volume of resources required to implement Sedana Medical's business plan including the development and commercialization of medical devices and pharmaceutical products in new markets depends on a number of factors that are unknown at present. There is a risk of Sedana Medical not achieving sufficient revenue in time to be able to finance its operations and development. If the company cannot obtain acceptable financing, it may limit the company's ability to maintain its position in the market or competitiveness for its offerings. Sedana Medical may also be forced to seek additional financing in order to continue with its operations. Such financing can be sought through external investors or existing shareholders and take place through public or private financing initiatives. There is a risk that new capital cannot be obtained when needed or on acceptable terms or that the capital obtained is not sufficient to finance operations according to established business planning and established objectives. If the risks associated with problems in obtaining sufficient revenue or sufficient financing to maintain the company's operations become reality, it could have a significant adverse effect on operations, financial position and earnings.

Risks related to exposure to tax demands and changes in tax regulations

Sedana Medical's assessment is that the company complies with applicable tax legislation. However, from time to time various legislative options may be proposed that will have a negative impact on the company's tax situation. In addition, tax regulations are complex and subject to different interpretations. There are no guarantees that Sedana Medical's tax situation will not be challenged by tax authorities or that the company will be successful should such an event occur. A decision by the tax authority could change Sedana Medical's previous tax situation, which could have a negative impact on the company's operations, financial position and earnings.

Risks related to accumulated tax losses

Because the operation has generated significant deficits, Sedana Medical has large accumulated tax losses. Changes in ownership that lead to an individual's gaining controlling influence over the company could lead to limitations in the ability to make use of such losses in the future. The ability to make use of losses in the future may also be negatively affected by changes in applicable legislation. Such limitations and changes could have a negative effect on Sedana Medical's operations, financial position and earnings.

Financial review of 2024

Alternative performance indicators

Alternative performance indicators relate to financial indicators used by the senior management and investors to assess the Group's results and financial position which cannot be read or derived directly from the financial statements. These financial indicators are intended to facilitate analysis of the Group's development. The alternative performance indicators should accordingly be regarded as complementing the financial reporting prepared in accordance with IFRS. The financial indicators presented in this report may differ from similar indicators used by other companies. These performance indicators, which are not defined according to IFRS, are also presented in the report as they are considered to represent complementary performance indicators for the company's results. For information on these performance indicators and how they have been calculated, please visit https://sedana-medical.com/sv/investerare/rapporter-presentationer/

Net sales

Net sales for the year totaled KSEK 178,754 (153,867), which represents an increase of 16 percent compared to 2023. Adjusted for currency effects, the increase was 17 percent. In Germany, sales increased by 5 percent, which was below our expectations. The main reason is a lower number of mechanically ventilated patients in June and reduced field presence following staff changes and temporary vacancies in the sales force in the second half of the year. In response to this, we are now implementing an acceleration plan for Germany. Our other direct markets in Europe showed growth of 48 percent in 2024. Among these markets, Spain and the UK are performing best in terms of growth rate. In both these markets, our dedicated sales teams are benefiting from favorable regulatory decisions in 2023 such as pricing and reimbursement approval in Spain and regulatory approval from the MHRA in the UK. Distributor markets increased sales by 15 percent in 2024. The growth in distributor markets is driven by our strategy to focus on our priority distributor partners, with further support from a large order placed by our main distributor in South America in Q1 2024, the first from this customer since the pandemic years. Following the acquisition of our Malaysian supplier Innovatif Cekal finalized at the end

of November 2024, we now also report revenue from contract manufacturing of KSEK 793 in December.

Cost of goods sold and gross profit

The cost of goods sold totaled KSEK 52,612 (44,886), representing an increase of 17 percent. Gross profit was KSEK 126,142 (108,981), representing a gross margin of 71 (71) percent.

Selling expenses

Selling expenses for the full year were KSEK 104,796 (107,239), representing a decrease of 2 percent. The decrease is mainly due to efficiency improvements in the distributor, sales and marketing organization.

Administrative expenses

Administrative expenses in the Group totaled KSEK 51,799 (47,504), representing an increase of 9 percent. The increase compared to the previous year is due to one-off costs related to the acquisition of Innovatif Cekal and increased costs of consultants and other external services.

Research and development expenses

Research and development expenses for the full year 2024 totaled KSEK 20,294 (20,805), representing a decrease of 2 percent.

Operating income

Group operating income for the full year was KSEK -50,767 (-65,547). The improvement in earnings is due to a higher gross profit, which increased by KSEK 17,160, and better net financial items, which increased by KSEK 34,291.

Net financial items

Net financial items totaled KSEK 40,819 (6,529) and are explained by unrealized exchange rate effects on cash and cash equivalents denominated in USD and interest on cash and cash equivalents.

Tax

The Group reported a tax expense of KSEK -726 in 2024, compared to KSEK -593 in the previous year. The tax is attributed principally to Germany.

Net income for the year

The Group reported net income after tax of KSEK -10,674 (-59,612) for the year. The improvement in earnings is partly explained by increased sales and gross profit, as well as better net financial items.

Equity and liabilities

Equity at December 31 was KSEK 958,227, compared to KSEK 969,995 at the beginning of the year, equivalent to SEK 9.65

Summary consolidated figures

KSEK	2024	2023	2022	2021	2020
Net sales	178,754	153,867	122,865	159,152	141,770
Gross profit	126,142	108,981	86,074	106,706	88,903
Gross margin %	71%	71%	70%	67%	63%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-29,171	-42,974	-83,138	-50,093	-14,294
EBITDA margin %	-16%	-28%	-68%	-31%	-10%
Earnings before interest and taxes (EBIT)	-50,767	-65,547	-105,887	-61,493	-21,359
Operating margin %	-28%	-43%	-86%	-39%	-15%
Net income for the year	-10,674	-59,612	-73,507	-57,966	-27,139
Profit margin %	-6%	-39%	-60%	-36%	-19%
Balance sheet total	1,019,395	1,014,056	1,081,588	1,167,580	600,097
Equity ratio %	94%	96%	95%	94%	92%
Quick ratio %	450%	968%	1299%	1414%	929%
Average number of employees	83	79	86	73	55

Summary Parent Company figures

KSEK	2024	2023	2022	2021	2020
Net sales	177,736	153,767	122,726	159,107	121,238
Gross profit	127,465	110,652	88,634	109,445	82,531
Gross margin %	72%	72%	72%	69%	68%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-35,399	-40,520	-77,459	-50,250	-26,608
EBITDA margin %	-20%	-26%	-63%	-32%	-22%
Earnings before interest and taxes (EBIT)	-52,189	-57,283	-93,632	-55,161	-27,577
Operating margin %	-29%	-37%	-76%	-35%	-23%
Net income for the year	-8,828	-47,754	-59,741	-63,629	-28,767
Profit margin %	-5%	-31%	-49%	-40%	-24%
Balance sheet total	1,061,327	1,053,888	1,105,654	1,164,900	603,470
Equity ratio %	94%	95%	95%	95%	93%
Quick ratio %	450%	893%	1198%	1479%	941%
Average number of employees	41	46	53	41	25

(9.76) per share. Equity/assets ratio was 94%, compared to 96% at the beginning of the year.

Debt/equity ratio as of December 31 was 6%, compared to 4% at the beginning of the year.

Cash and cash equivalents and cash flow

For 2024, Group cash and cash equivalents and current investments decreased by KSEK -187,844 and totaled KSEK 193,960 at the end of the year, compared to KSEK 381,804 at the beginning of the year. Cash flow from operating activities before change in working capital for the whole year was KSEK -16,759 (-17,132). Cash flow from changes in working capital totaled KSEK 4,990 (-20,928). Cash flow from changes in working capital is higher than in 2023 due to lower inventories and lower receivables. Cash flow from operating activities consequently totaled KSEK -11,769 (-38,061).

Cash flow from investments in intangible assets totaled KSEK -172,788 (-168,373) and consist mainly of development expenses for clinical studies and work on registration of Sedaconda ACD and Sedaconda (isoflurane) in the United States. Investments in subsidiaries totaled KSEK -24 976 (0). Repaid current investments during the first quarter 2024 as well as the previous year's repayment and investment in current investments totaled KSEK 155,307 (-153,069). Total cash flow from investing activities thus amounted to KSEK -44,673 (-321,957).

Cash flow from financing activities for the period totaled KSEK -3,571 (-4,857) and relates to amortization of lease liabilities.

The translation difference in cash and cash equivalents during the year totaled KSEK 22,793 (-11,687) and is mainly due to the Group having cash and cash equivalents denominated in USD.

Cash flow per share for the year was SEK -0.60 (-3.67). Adjusted for repaid and invested current investments, cash flow per share was SEK -2.17 (- 2.13).

Investments

Investments during the 2024 financial year totaled KSEK 213,357 (168,889). Investments during 2024 primarily relate to:

- Capitalized expenses for development work, KSEK 172,422
- Acquisition of the subsidiary Innovatif Cekal, KSEK 38,354
- Purchase of equipment and tools, KSEK 2,216.
- Internal expenses for the generation of patents, KSEK 365

Parent Company

The Parent Company's net sales for the full year totaled KSEK 177,736 (153,767), of which intra-group sales totaled KSEK 7,752 (7,301).

Operating income for the full year totaled KSEK -52,189 (-57,283). Net financial items were KSEK 43,350 (9,518) and relate mainly to unrealized exchange gains on cash balances in foreign currencies, mainly USD, and interest received on cash and cash equivalents.

Shareholders' equity in the Parent Company totaled KSEK 994,171 at December 31, 2024, compared to KSEK 1,002,640 at the beginning of the year, representing a decrease of KSEK 8,469. Share capital totaled KSEK 2,483, compared to KSEK 2,483 at the beginning of the year.

Cash and cash equivalents and current investments totaled KSEK 176,424, compared to KSEK 366,545 at the beginning of the year.

Organization and Personnel

Employees

At the end of 2024, Sedana Medical had 109 employees. Of these, 41 employees were men and 68 were women. The corresponding figures at the end of 2023 were 79 employees, of whom 40 were men and 39 were women. The increase in the number of staff is mainly due to the acquisition of the subsidiary Innovatif Cekal. The number of employees in Innovatif Cekal is 29, of whom 4 are men and 25 are women.

Proposed appropriation of earnings

The Board of Directors proposes that no dividend be paid for the financial year 2024.

The amount available for appropriation at the Annual General Meeting comprises unrestricted reserves, accumulated loss and net income for the year in the Parent Company:

SEK	
Retained earnings	339,441,011
Net income for the year	-8,828,430
Total non-restricted reserves	**330,612,581**

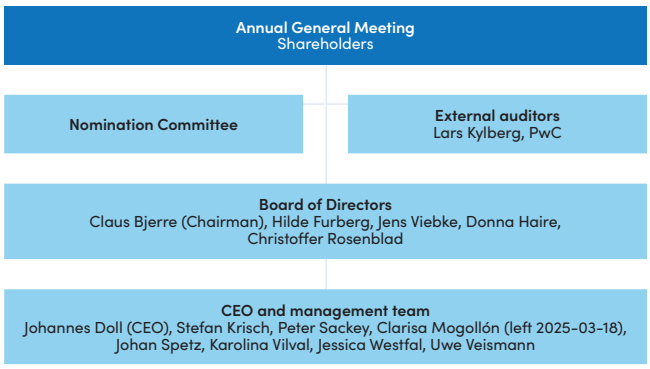
The Board of Directors proposes that retained earnings available to the Annual General Meeting and the share premium reserve be carried forward. Following appropriation, unrestricted equity totals:

SEK	
Retained earnings	330,612,581
Total non-restricted reserves	**330,612,581**

Corporate Governance Report

Sedana Medical AB (publ) ('Sedana Medical' or 'the Company') is a Swedish public company with domicile in Danderyd. Sedana Medical is listed on Nasdaq Stockholm. This report relates to the financial year 2024 and has been reviewed by the Company's auditor. The Company's shares were listed on Nasdaq First North Growth Market on June 21, 2017, and changed trading venue to Nasdaq Stockholm's main market on January 25, 2023. The Company complies with the Nasdaq Stockholm Nordic Main Market Rulebook for Issuers of Shares (the "Rulebook for Issuers"). The Company applies the Swedish Code of Corporate Governance (the "Code") without deviation and has not committed any infringements of the Rulebook for Issuers or good stock market practice. The Swedish Code of Corporate Governance is available at www.bolagsstyrning.se and the Rulebook for Issuers is available at www.nasdaqomxnordic.com.

This corporate governance report summarizes how corporate governance is organized and how it was conducted in 2024. The report has been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Code of Corporate Governance. As well as legislation, the Rulebook for Issuers and the Code, corporate governance is primarily based upon the Company's articles of association and internal guidelines. The illustration below shows Sedana Medical's corporate governance model and how the various bodies function.



Internal instructions and policies of significance among other things to corporate governance

- Articles of Association
- Board's rules of procedure and CEO instructions
- Instructions for the Audit Committee
- Instructions for the Remuneration Committee
- Guidelines for Remuneration of Senior Executives
- Code of Conduct
- Corporate Governance Policy
- Financial policy
- Financial Reporting Policy
- Financial Manual
- Authorization instructions
- Information Policy
- Insider Policy
- IT Policy
- Whistleblower Policy
- Anticorruption Policy
- Guidelines for Related Party Transactions

External regulatory frameworks affecting the Articles of Association

- Swedish Code of Corporate Governance
- Swedish Companies Act
- Accounting regulations
- Rulebook for Issuers of Shares

General Meeting of Shareholders

Shareholder influence in the company is exercised at the Annual General Meeting which, in accordance with the Swedish Companies Act, is the company's highest decision-making body. As the Company's highest decision-making body, the Annual General Meeting can take decisions about all matters in the Company that do not constitute another company body's exclusive area of competence. The Annual General Meeting thus plays a superior role in relation to the Company's Board of Directors and the Chief Executive Officer. Notices to attend, minutes and communiqués from shareholders' meetings will be kept available on the company's website. At an Annual General Meeting, which under the Swedish Companies Act must be held within six months from the end of each financial year, resolutions must be made concerning the approval of the income statement and balance sheet, allocations concerning the company's profit or loss, discharging the Board of Directors and Chief Executive Officer from liability, election of Board members and auditors, and remuneration of the Board and auditor. At the general meeting of shareholders, the shareholders also make decisions on other key issues for the Company, such as amendment of the Company's articles of association, any new issue of shares, etc. If the Board judges there to be reason to hold an AGM before the next AGM, or if an auditor in the Company or holder of at least one-tenth of all the shares in the Company so requests in writing, the Board must call an extraordinary general meeting. Notice to attend an AGM and extraordinary general meeting where changes to the articles of association will be addressed must be given at the earliest six weeks and at the latest four weeks before the meeting. Notice to attend another extraordinary general meeting must be given at the earliest six weeks and at the latest three weeks before the meeting. Notice to attend is given through the Official Swedish Gazette (Post- och Inrikes Tidningar) and the company's website. At the same time, an announcement that notice has been given must be placed in the Swedish daily business newspaper Dagens Industri. To be allowed to attend the Annual General Meeting, a shareholder must notify their intention to attend the meeting no later than the date stated on the notice calling the meeting. This day may not be a Saturday, Sunday, public holiday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than five working days before the meeting. Shareholders may attend the annual general meeting in person or be represented by proxy, and may also be assisted by not more than two persons. There are usually opportunities for shareholders to register their attendance of the Annual General Meeting in a number of ways in accordance with instructions in the notice to attend. Shareholders wishing to have a matter addressed at the meeting must submit a request in writing to the company's Board. Such a request must usually reach the Board not later than seven weeks before the Annual General Meeting. In order to determine who has the right to attend and vote at an Annual General Meeting, Euroclear Sweden AB, at the Company's request, must provide the company with a list of all shareholders as of the record date in connection with each Annual General Meeting. Shareholders whose shares are registered in the name of a nominee or trustee must instruct the nominee to temporarily register the shares in the shareholder's own name (voting right registration) in order to be eligible to participate and vote their shares at an Annual General Meeting. Such registration must be completed not later than the applicable record date and ceases to be valid

after the record date. Shareholders whose shares are directly registered in an account in the Euroclear system will be included automatically in the list of shareholders. There are no restrictions regarding how many votes each shareholder may cast at a general meeting of shareholders.

Annual General Meeting 2024

The Annual General Meeting took place on May 22, 2024 in Danderyd. 65.6% of the total number of votes were represented at the meeting. Karl Tobieson was elected to chair the meeting. Full minutes and information from the 2024 AGM are available at www.sedanamedical.com.

Resolutions of the 2024 Annual General Meeting

The 2024 AGM adopted resolutions on:

- Re-election of three Board members. Re-election of the Chairman of the Board
- Re-election of two Board members
- Re-election of Öhrlings PWC as auditor, with authorized public accountant Lars Kylberg as auditor in charge
- Determination of fees for the Board of Directors and auditor
- Approval of the 2023 Board of Directors' Remuneration Report
- Discharge of the Board of Directors and the CEO from liability for the financial year 2023
- Guidelines for remuneration of senior executives
- Issue authorization
- Long-term incentive program/LTI 2024

Annual General Meeting 2025

The 2025 Annual General Meeting will be held on May 15, 2025. For right to attend and more information, see page 79 or visit www.sedanamedical.com. The minutes of the Annual General Meeting will be available on the website www.sedanamedical.com.

Major shareholders

Two shareholders in Sedana Medical have direct or indirect shareholdings in the Company representing at least one tenth of the number of votes for all shares in the company. Linc AB holds shares representing 12.9% of the number of votes and Anders Walldov (including indirect holding of Brohuvudet AB) holds shares representing 10.1% of the number of votes.

Nomination Committee

The AGM of the Company held on May 10, 2021 resolved to adopt the following principles for appointment and instructions in respect of nominations prior to future AGMs. The following principles and instructions apply until any resolution changing them is adopted by the AGM. The Nomination Committee must comprise the Chairman of the Board and three members appointed by the three biggest shareholders in terms of votes at the end of the third quarter of the year concerned. Every year, the Chairman of the Board must contact the shareholders who are eligible to appoint members. If any of the shareholders chooses to waive their right to appoint a member to the Nomination Committee, the right is transferred to the next largest shareholder in terms of votes, and so forth. However, no more than five additional shareholders need not be contacted, unless the Chairman of the Board finds there to be special reasons for this to be done. When shareholders are contacted requesting them to appoint members to the Nomination Committee, the Chairman of the Board must establish the necessary rules such as the last day by which to respond, etc. The names of the Nomination Committee members and the names of the shareholders appointing the members must be published no later than six months before the AGM. The Nomination Committee appoints its own chair internally. The Chairman of the Board may not be the chair of the Nomination Committee. If a member leaves the Nomination Committee before its work is completed, and the committee considers a replacement necessary, the replacement must be appointed by the same shareholder who appointed the retired member or, if the latter shareholder is no longer among the three largest shareholders in terms of votes, by the shareholder who belongs to this group. If a shareholder, having appointed a certain member, has significantly reduced his holding in the Company, and the nomination committee finds it appropriate in view of the possible need for continuity for the forthcoming AGM, the member must leave the Nomination Committee and the committee must offer the biggest shareholder who has not appointed a member to the committee the opportunity to appoint a new member. Nomination Committee members do not receive remuneration from the Company. Any expenses arising in connection with the Nomination Committee's work must be paid by the Company on condition that they are approved by the Chairman of the Board. The Nomination Committee for the 2025 AGM was first presented on October 18, 2024 but was adjusted on November 5 due to a change in ownership and consists of:

- Claus Bjerre, Chairman of the Board
- Karl Tobieson, appointed by Linc AB
- Patrik Walldov, appointed by Anders Walldov (including direct ownership through Brohuvudet AB)
- Erik Durhan, appointed by Lannebo Fonder

Board of Directors

Duties of the Board of Directors

After the Annual General Meeting, the Board of Directors is the company's highest decision-making body. The Board is also the company's highest executive body and representative of the Company. In addition, under the Swedish Companies Act, the Board is responsible for the Company's organization, the administration of its affairs, the ongoing assessment of the Company's and Group's financial situation, and ensuring that the Company's organization is designed such that the Company's accounting, asset management and the financial circumstances in other respects are satisfactorily controlled. The Chairman of the Board bears special responsibility for directing the work of the Board and making sure that the Board fulfils its statutory duties. The Board's assignments include setting forth the Company's overall goals and strategies, supervising major investments, ensuring satisfactory control of the Company's compliance with legislation and other regulations that apply to the Company's operations, and the Company's compliance with internal policy documents. The Board's assignments also include ensuring that the company's disclosures to the market and investors are characterized by openness and that they are accurate, relevant and reliable, as well as appointing, evaluating and if necessary dismissing the company's Chief Executive Officer. In accordance with the Swedish Companies Act, the Board has adopted written rules of procedure for its work that are evaluated, updated and re-adopted annually. The Board meets regularly according to a schedule set forth in the rules of procedure that includes certain fixed agenda items and other agenda items as necessary. The Chief Executive Officer has acted as rapporteur at all Board meetings, and other senior executives have acted as rapporteur depending on the issues discussed.

Composition of the Board of Directors

According to the company's articles of association, the Board must comprise at least three (3) and not more than six (6) members. A member is elected annually by the Annual General Meeting for the period until the next Annual General Meeting has been held. There is no limit for how long a member may sit on the Board. The Nomination Committee represents the shareholders and is responsible for preparing AGM resolutions on the election and remuneration of the Board of Directors and auditor and, where applicable, procedural matters for the next Nomination Committee. As stated in the Nomination Committee's reasoned statement for the 2024 AGM, the Nomination Committee has taken into account in its work the importance

Board attendance and fee

	Year elected	Attendance number of meetings in 2024 (10)	Board fee resolved by 2024 AGM (KSEK)	Attendance of Audit Committee meetings in 2024 (6)	Audit Committee fee decided by the 2024 AGM (KSEK)	Independent in relation to:	
						Company	Shareholders
Chairman of the Board							
Claus Bjerre	2021	10	785	6	30	Yes	Yes
Board member							
Christoffer Rosenblad	2020	10	250	6	75	Yes	Yes
Hilde Furberg	2022	10	250	4	30	Yes	Yes
Jens Viebke	2024	5	250				
Donna Haire	2024	5	250				
Ola Magnusson	2005	5		2		Yes	Yes
Eva Walde	2018	4				Yes	*Yes*

of a composition of the Board that works well in terms of skills, international experience, age, gender, background and experience. Sedana Medical is transforming from a medical device company to a pharmaceutical company and is in the launch phase of its pharmaceutical product in Europe and conducting clinical trials in the United States. Against this background, the Nomination Committee has aimed to maintain the international profile of the Board, with particular emphasis on commercial experience, networks and skills. The current composition of the Board is a result of the work of the Nomination Committee ahead of the 2024 AGM. As of the closing date of the financial year, the Company's Board consists of five members: Claus Bjerre (Chairman), Hilde Furberg, Christoffer Rosenblad, Jens Viebke and Donna Haire.

For information concerning each member of the Board, see page 74–75.

Chairman of the Board

The Chairman of the Board is tasked with directing the work of the Board and ensuring that it is carried out effectively and that the Board fulfils its obligations. Through contacts with the CEO, the Chairman must observe the Company's development and make sure that the Board members are continuously provided with the information they need to monitor the Company's position, financial planning and development. Furthermore, the Chairman must consult the CEO on strategic matters and check that the Board's decisions are effectively executed. The Chairman of the Board is responsible for contacts with shareholders on ownership matters and for conveying the views of the shareholders to the Board. The Chairman does not take part in the operational work of the Board, nor is the Chairman part of company management.

The work of the Board

The Board follows written rules of procedure that must be reviewed annually and adopted at the Board meeting following election. Among other things, the rules of procedure govern the Board's working methods, assignments, decision-making within the Company, the Board's meeting procedures, the Chairman's tasks and the allocation of work between the Board and the CEO. Instructions regarding financial reporting and the CEO instructions are also set forth in connection with the meeting of the Board following election. In parallel with Board meetings, the Chairman of the Board and the CEO maintain a dialog concerning the administration of the company. The Board meets according to an annual timetable, and must hold at least five scheduled Board meetings between each AGM. The Chairman of the Board is responsible for evaluating the work of the Board including the efforts of individual members. This takes place through an annual, structured evaluation with subsequent discussions in the Board and Nomination Committee, where the collated results of the survey, including comments made, are presented by reproducing responses for each question with means and standard deviations. The work of the Board was evaluated at the end of 2024, and the outcome has been presented to the Board in its entirety.

Committees

The Board appoints an audit committee at its first meeting following election. The tasks of the Audit Committee are described in instructions for the Audit Committee. Within the framework of the Board's work, the Audit Committee is to monitor the company's financial reporting and discuss matters relating to the company's financial reporting and auditing under Chapter 8, Section 49 b of the Swedish Companies Act and to fulfil the tasks that follow from EU Regulation No 537/2014. The company's Audit Committee at the balance sheet date for the financial year consists of Christoffer Rosenblad (Chair), Claus Bjerre and Hilde Furberg.

In 2023 the Board appointed a Remuneration Committee to discuss the tasks which, under the Code, are incumbent upon the Remuneration Committee, such as decisions concerning the remuneration and terms of employment of the senior management and proposals for guidelines for the remuneration of the Chief Executive Officer and senior executives, which the Board submits for resolution by the Annual General Meeting. The Company's Remuneration Committee at the balance sheet date for the financial year consists of Claus Bjerre (Chair), Christoffer Rosenblad and Hilde Furberg. The Remuneration Committee held two meetings during the year, attended by all members.

The Chief Executive Officer and other senior executives

The company's Chief Executive Officer is subordinate to the Board and, under the provisions of the Swedish Companies Act, takes care of day- to-day company administration in compliance with the Board's guidelines and instructions. Measures that, with regard to the scope and nature of the Company's operations, are of an unusual nature or of great significance do not fall within day-to-day administration and must as a rule be prepared and presented to the Board for a decision. The company's Chief Executive Officer must also take necessary measures to ensure that the company's accounting records are completed in compliance with the law and that administration of funds is performed in a satisfactory manner. The allocation of work between the Board and the Chief Executive Officer is described in the Board's rules of procedure and the written CEO instructions. The Board continually evaluates the Chief Executive Officer's work. In 2024, Johannes Doll was the Company's Chief Executive Officer. Sedana Medical's senior management otherwise consisted of Chief Financial Officer Johan Spetz, Chief Medical Officer Peter Sackey, Vice President Regulatory Affairs and QA Jessica Westfal, Supply Chain and Manufacturing Director Stefan Krisch, General Counsel Karolina Vilval, Chief Commercial Officer Clarisa Mogollon and Uwe Veismann, General Manager Germany, Nordics and Benelux.

Internal control and audit

Under the Swedish Companies Act, the Board is responsible for the company's organization, the administration of its affairs, ongoing assessment of the company's and Group's financial situation, and ensuring that the company's organization is designed such that company's accounting, asset management and financial circumstances in other respects are satisfactorily controlled. The Board presents here the most important elements of the Company's system of internal control and risk management in connection with financial reporting. Internal control in Sedana Medical follows the established COSO framework, which consists of five components: control environment, risk assessment, control activities, information and communication, and follow-up.

The control environment represents the basis of the Company's internal control, and contains the culture the Board and senior management work from, and that they communicate and convey to the business through internal regulations. Clear distribution of roles and responsibilities enables effective management of the risks to the business, among other things through the Board's rules of procedure and through instructions for the Chief Executive Officer. In operating activities the Chief Executive Officer is responsible for the system of internal controls required to create a control environment for material risks. The Chief Executive Officer reports regularly to the Board. Sedana Medical also has guidelines and policies regarding financial reporting, information management, etc. The Company's Board and management regularly review this system and update it where necessary.

Risk assessment

Effective risk management supports the business by enabling profitable business initiatives combined with good control of risk-taking. Sedana Medical's risk management process includes the entire business. Material risks that have been identified by the Company are described on pages 32–34. The risk management process contributes structure and a systematic approach to proactively identify and manage risks that may have an adverse impact on the ability of the business to achieve established targets and consequently affect the Company's financial position.

Control activities

Control activities are aimed at managing identified risks and contributing to good internal control and effectiveness. Control activities relating to financial reporting include approvals of decisions and transactions, account reconciliations and follow-up and analysis of outcomes. Control activities may be built into the Company's systems such as Netsuite and Aaro, or be manual.

Information and communication

Sedana Medical has information and communication paths internally and externally aimed at ensuring effective and correct provision of information, including regarding the Company's financial development. The guidelines for internal and external communication are described in Sedana Medical's information policy. Ultimately this entails making sure that the statutory and regulatory information duty is fulfilled and that investors receive correct information on time. The Board and its audit committee regularly receive financial reports pertaining to the Group's position and profit trend. The procedures for external provision of information are aimed at supplying the market with relevant, reliable and correct information about the Company's development and financial position. The Company's guidelines include how such information should take place, who is authorized to provide a particular type of information and when a logbook is to be kept.

Follow-up

The Board and the Audit Committee decide on monitoring of internal control, and the Company's CFO is responsible for internal control being maintained in accordance with what the Board has decided. The Board continuously assesses the information provided by the senior management, regarding both financial information and the effectiveness of internal control, including any proposals for improvement measures from the external auditor linked to the latter's examination of internal control. The Company's external auditor reports his or her findings and assessment of internal control to the Audit Committee. In its capacity as a public company, the Company is required to have at least one auditor for auditing of the Company's and consolidated annual accounts and accounting records and the administration of the Board and the Chief Executive Officer. The audit must be as detailed and comprehensive as generally accepted auditing standards require. The company's auditors are elected by the Annual General Meeting in compliance with the Swedish Companies Act. Accordingly, an auditor in a Swedish limited company is engaged by, and reports to, the Annual General Meeting and may not be guided in her work by the Board or any other senior executive. According to the company's articles of association, the Annual General Meeting must appoint at least one (1) and not more than two (2) auditors with not more than two (2) deputy auditors. The Company's current authorized public accountant is Lars Kylberg from Öhrlings PricewaterhouseCoopers AB (PWC).

Internal audit

Sedana Medical to date has not found cause to set up a separate internal audit function within the financial area, as the Company is relatively small in size and the constantly ongoing work on internal control has meant that awareness of internal control in the Group is considered high. The question of a separate internal audit function will be examined as the Company grows.

Remuneration of Board members, senior executives and auditor

The Board has appointed a Remuneration Committee to discuss the tasks incumbent on the Remuneration Committee under the Code. Remuneration for members of the Sedana Medical Board is resolved by the AGM. The Annual General Meeting held on May 22, 2024 passed a resolution concerning annual Board fees in the amount of KSEK 785 to the Chairman, and KSEK 250 to the other Board members. The Annual General Meeting also resolved on a fee to the members of the Audit Committee of KSEK 75 to the Chairman and KSEK 30 to each of the members. Remuneration to senior executives who are employees follows the Company's Guidelines for Remuneration of Senior Executives and may consist of basic salary, variable remuneration, pension and other benefits. In addition to his monthly salary, the CEO Johannes Doll has the right to an annual bonus amounting to not more than nine monthly salaries. The bonus is linked to the Company's sales, its operating income before interest, taxes, depreciation and amortization (EBITDA) and performance in relation to pre-determined targets. In addition to statutory pension, the Company sets aside an amount equivalent to 22 percent of the CEO's fixed monthly salary to an occupational pension scheme determined by the CEO. The mutual period of notice is 12 months. After the end of the notice period, severance pay is paid corresponding to 6 monthly salaries. In other respects, the CEO is subject to the usual terms of employment containing provisions on secrecy, non-competition and recruitment bans. The total remuneration of the auditor for the financial year 2024 was KSEK 1,234. Remuneration of the Company's accountant is paid on current account.

Financial information

Consolidated income statement

KSEK	Note	2024	2023
Net sales	4	178,754	153,867
Cost of goods sold	7	-52,612	-44,886
Gross profit		**126,142**	**108,981**
Selling expenses		-104,796	-107,239
Administrative expenses		-51,799	-47,504
Research and development expenses		-20,294	-20,805
Other operating income	8	26,406	31,473
Other operating expenses	9	-26,425	-30,453
Operating income	5, 6, 7	**-50,767**	**-65,547**
Profit/loss from financial items			
Financial income		40,828	15,873
Financial expenses		-8	-9,345
Net financial items	10	**40,819**	**6,528**
Profit/loss before tax		**-9,948**	**-59,019**
Income tax	11	-726	-593
Net income for the period		**-10,674**	**-59,612**
Earnings per share, calculated on earnings attributable to shareholders in the Parent Company:	12		
Before dilution		-0.11	-0.60
After dilution		-0.11	-0.60
Operating income		**-50,767**	**-65,547**
Amortization of intangible assets		-16,075	-15,452
Depreciation of tangible fixed assets		-5,522	-7,121
EBITDA		**-29,171**	**-42,974**

Consolidated statement of comprehensive income

KSEK	Note	2024	2023
Net income for the period		**-10,674**	**-59,612**
Other comprehensive income			
Items that may be reclassified later to the income statement:			
Translation differences from operations abroad		-1,593	451
Other comprehensive income, net after tax		**-1,593**	**451**
Total comprehensive income		-12,267	-59,161
Total comprehensive income wholly attributable to shareholders in the Parent Company		**-12,267**	**-59,161**

Consolidated balance sheet

KSEK	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
Intangible assets			
Capitalized development expenditure	13	700,339	542,705
Concessions, patents, licenses, etc.	14	3,594	3,326
Goodwill	14	26,569	-
Tangible fixed assets			
Plant and machinery	15	588	864
Equipment, tools, fixtures and fittings	16	3,688	2,551
Right-of-use assets	24	6,349	4,912
Financial assets			
Deferred tax assets	17	22	31
Other non-current assets		47	46
Total non-current assets		**741,195**	**554,435**
Inventories	18	45,560	42,975
Tax receivables		2,360	739
Accounts receivable	19	26,539	24,180
Prepaid expenses and accrued income	20	5,855	4,701
Other receivables		3,928	5,223
Current investments	28	-	150,624
Cash and cash equivalents	21	193,960	231,180
Total current assets		**278,200**	**459,622**
TOTAL ASSETS		**1,019,395**	**1,014,057**

KSEK	Note	Dec 31, 2024	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity	22, 23		
Share capital		2,483	2,483
Other contributed capital		1,226,934	1,226,435
Translation reserve		-3,792	-2,199
Retained earnings including profit or loss for the period		-267,399	-256,724
Equity attributable to shareholders in the Parent Company		**958,227**	**969,995**
Provisions			
Deferred tax liabilities	17	6	7
Other provisions	22	157	-
Total provisions		**162**	**7**
Non-current liabilities			
Non-current lease liabilities	24, 27, 28	2,583	1,012
Other non-current liabilities	30	6,776	-
Total non-current liabilities		**9,359**	**1,012**
Current liabilities			
Current lease liabilities	24, 27, 28	3,334	3,294
Accounts payable	28	5,953	5,169
Tax liabilities	11	3,145	1,276
Other liabilities	25, 30	10,601	8,471
Accrued expenses and prepaid income	26	28,615	24,833
Total current liabilities		**51,647**	**43,043**
Total liabilities		**61,168**	**44,062**
TOTAL EQUITY AND LIABILITIES		**1,019,395**	**1,014,057**

Consolidated statement of changes in equity

Equity attributable to shareholders in the Parent Company

KSEK	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net income for the year	Total
Opening equity at Jan 1, 2023	**2,483**	**1,226,435**	**-2,650**	**-197,113**	**1,029,155**
Net income for the year	-	-	-	-59,612	-59,612
Other comprehensive income for the year	-	-	451	-	451
Comprehensive income for the year	-	-	451	-59,612	-59,161
Closing equity at Dec 31, 2023	**2,483**	**1,226,435**	**-2,199**	**-256,724**	**969,995**
Opening equity at Jan 1, 2024	**2,483**	**1,226,435**	**-2,199**	**-256,724**	**969,995**
Net income for the year	-	-	-	-10,674	-10,674
Other comprehensive income for the year	-	-	-1,593	-	-1,593
Comprehensive income for the year	-	-	-1,593	-10,674	-12,267
Transactions with shareholders in the Group					
Incentive programs	-	498	-	-	498
Total transactions with shareholders in the Group	-	498	-	-	498
Closing equity at Dec 31, 2024	**2,483**	**1,226,934**	**-3,792**	**-267,398**	**958,227**

Consolidated cash flow statement

KSEK	Note	2024	2023
Operating activities			
Operating income		-50,767	-65,547
Adjustments for non-cash items:			
Depreciation, amortization and impairment		23,167	24,917
Exchange-rate differences		-5,636	8,900
Other non-cash items		886	208
Interest received		16,487	15,168
Interest paid		-178	-215
Income tax paid		-718	-564
Cash flow from operating activities before changes in working capital		**-16,759**	**-17,133**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		2,622	-6,738
Increase (-)/Decrease (+) in operating receivables		2,201	-6,254
Increase (+)/Decrease (-) in operating liabilities		166	-7,937
Cash flow from operating activities		**-11,769**	**-38,062**
Investing activities			
Investments in intangible assets	13,14	-172,788	-168,373
Investments in tangible fixed assets	15,16	-2,216	-515
Investments in subsidiaries	30	-24,976	-
Investments in current investments		-	-465,417
Sale of current investments		155,307	312,348
Cash flow from investing activities		**-44,673**	**-321,957**
Financing activities			
Amortization of lease liabilities	24,27	-3,571	-4,857
Cash flow from financing activities		**-3,571**	**-4,857**
Cash flow for the year		**-60,013**	**-364,876**
Cash and cash equivalents at the beginning of the period		**231,180**	**607,742**
Translation difference in cash and cash equivalents		**22,793**	**-11,687**
Cash and cash equivalents at the end of the year	22	**193,960**	**231,180**

Notes

NOTE 1 General information

Sedana Medical (publ), with corporate identity number 556670-2519, is a limited company registered in Sweden with domicile in Danderyd. The address of the head office is Svärdvägen 3A, SE-182 33 Danderyd, Sweden. The object of the company's operations is to develop, manufacture and sell medical devices and pharmaceutical products. Sedana Medical AB is the Parent Company of the Sedana Medical Group. Unless otherwise indicated, all amounts are stated in thousands of Swedish kronor (KSEK). All amounts, unless otherwise indicated, are rounded to the nearest thousand. Figures in brackets relate to the comparative year.

Sedana Medical's consolidated financial statements for 2024 were approved by the Board of Directors for publication on April 10, 2025 and are subject to adoption by the Annual General Meeting on May 15, 2025. The consolidated financial statements are based on historical cost, except as noted below under significant accounting policies.

For the Group's financial assets and liabilities, their carrying amount is considered to be a reasonable estimate of the fair value as they essentially refer to current receivables and liabilities, with which the discounting effect is insignificant. The deferred consideration liability has been discounted.

NOTE 2 Significant accounting and measurement policies

The key accounting policies applied in the preparation of these consolidated financial statements are stated below. These policies have been applied consistently for all the periods presented, unless otherwise stated. The consolidated financial statements of Sedana Medical (publ) have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, IFRS accounting standards and interpretations from the IFRS Interpretations Committee (IFRIC), as adopted by the EU.
Preparing reports in accordance with IFRS accounting standards necessitates making a number of important estimates for accounting purposes. The management is also required to make certain assessments in applying the Group's accounting policies. The areas containing a high degree of assessment, which are complex or where assumptions and estimates are of material significance to the consolidated financial statements are stated in Note 3.

New and revised standards not yet adopted by the Group

None of the new or amended standards that have entered into force after January 1, 2024 have had a material impact on Sedana Medical's financial reporting.

Future changes in accounting policies
International Financial Reporting Standard (IFRS) 18, issued by the International Accounting Standards Board (IASB) on April 9, 2024, replaces IAS 1 Presentation of Financial Statements and introduces new requirements for presentation and disclosure in financial statements. The introduction of IFRS 18 involves: changes to the structure of the income statement; disclosure requirements in the financial statements for certain performance measures reported outside the entity's financial statements; and the introduction of new principles for the aggregation and disaggregation of the financial statements and notes. IFRS 18 is expected to become effective on January 1, 2027. The Group is currently evaluating the impact of implementing the standard.

Group accounting policies

Subsidiaries
Subsidiaries are companies over which Sedana Medical AB (publ) has a controlling influence. Controlling influence exists if Sedana Medical AB (publ) has influence over the object of investment, is exposed to or has the right to variable return from its commitment and can use its influence over the investment to affect return. In determining whether a controlling influence exists, account is taken of potential shares carrying voting rights and whether de facto control exists. Subsidiaries are included in the consolidated financial statements as of the date when the controlling influence is transferred to the Group. They are deconsolidated from the date on which the controlling influence ceases.

Transactions eliminated on consolidation
Intra-Group receivables and payables, income or expenses and unrealized gains or losses arising from intra-group transactions among Group companies are eliminated in their entirety in preparing the consolidated financial statements. Accounting policies for subsidiaries have been changed where appropriate to guarantee consistent application of the Group's policies.

Segment reporting
The most senior executive decision-maker in Sedana Medical (publ) is the Chief Executive Officer (CEO), as is it primarily the CEO who is responsible allocating resources and evaluating results. The assessment of the Group's segments is based on the financial information reported to the CEO. This information, as the basis for allocating resources and assessing the Group's results, concerns the Group as a whole. As the CEO follows up the business as a unit (a concept), the whole of the business is comprised of a single segment.

Translation of foreign currency

Functional currency and presentation currency
The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the Group. The financial statements for the Group are therefore presented in SEK.

Transactions and balance-sheet items in foreign currencies
Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the date of the transaction. Functional currency is the currency of the primary economic environments in which the companies operate. Monetary assets and liabilities in foreign currency are translated to the functional currency at the rate prevailing on the balance sheet date. Exchange-rate differences arising on translation are recognized in net income for the year. Non-monetary assets and liabilities recognized at historical cost are translated at the exchange rate prevailing on the transaction date.

Translation of foreign operations
Assets and liabilities in foreign operations are translated from the functional currency of the foreign operation to the Group's presentation currency, SEK, at the exchange rate prevailing on the balance-sheet date. Income and expense in a foreign operation are translated to SEK at an annual average exchange rate representing an approximation of the exchange rates prevailing at the time of the transaction concerned. Translation differences arising on translation of foreign operations are recognized in other comprehensive income and are accumulated in a separate component of equity, known as translation reserve.

Revenue

Sale of goods
The Group's revenue consists of medical devices and is principally made up of the sale of Sedaconda ACD and accessories. The Group also sells the pharmaceutical product Sedaconda (isoflurane) and gas analyzers. The Group's performance obligation in its contracts is to provide the items specified in the contract. Whether any transport services represent a separate performance obligation depends on the terms of delivery, i.e. whether control of the product has passed to the customer before transport takes place. Revenue is recognized when control of the asset has been transferred to the customer. A receivable is recognized when control of the goods has been transferred to the customer as the remuneration at this time is certain and it is only the passage of time that is required before payment has to be made. No material financing component is deemed to exist at the time of sale, as the credit period is normally 30 days net. The transaction price principally consists of fixed price per sold quantity. There are also cash discounts and, to a limited extent, volume discounts based on accumulated sales over a 12-month period. Sales revenue is recognized based on the price in the contract, less calculated discounts. Volume discounts are calculated and recognized based on experience, using either expected value after an estimation of the most likely amount, and are recognized only to the extent that it is highly likely that no material reversal will arise.

Financial income and expenses
The Group's financial income and expenses include interest income and interest expenses. Interest income or interest expense is recognized according to the effective interest method. The effective interest rate is the interest rate which exactly discounts the estimated future incoming and outgoing payments during the expected term of the financial instrument to the recognized gross value of the financial asset or the accrued acquisition value of the financial liability.

Employee benefits

Short-term employee benefits
Short-term employee benefits which are expected to be settled within 12 months after the accounting year-end are recognized as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The expense is recognized in the statement of comprehensive income when the related services are received. A provision is recognized for the expected cost involved in profit-sharing and bonus payments where the Group has a legally binding or informal obligation to make such payments as a result of the performance of services obtained from employees, and the obligation can be measured reliably.

Defined-contribution pension plans
The Group has only defined-contribution pension plans. Defined-contribution pension plans are pension plans where the company's obligation is limited to the contributions the company has undertaken to pay. In such a case, the size of the employee's pension depends on the contributions the company has paid into the plan or to an insurance company, and the capital return yielded by the contributions. In consequence, actuarial risk (that benefits will be lower than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee. The company's obligations relating to contributions to defined-contribution plans are recognized as an expense in net income for the year at the rate at which they are vested by employees providing services to the company during a period.

Share-based remuneration
– Incentive programs in the form of warrants
In some jurisdictions, Sedana Medical offers warrant programs to employees. Participants pay a premium per warrant calculated using the Black-Scholes method by an independent institution. As the employees have paid market value for the warrants, there is no remuneration to expense. For some programs, employees have received premium subsidy in the form of extra salary, and the cost of these premium subsidies is recognized over the vesting period of the warrants. The subsidy is repaid in whole or part if the employee leaves their employment during the three-year period.

– Performance based incentive program (LTI 2024)
Sedana Medical has issued performance rights in the form of warrants, employee options to staff. The performance rights are offered free of charge, meaning that the participants receive a benefit corresponding to the market value. The benefit and related social security contributions are recognized as an employee expense based on vested options. The vesting period is three years. The cost of the benefit is recognized with a corresponding increase in equity. If the employee options are exercised in the future, the Parent Company receives a payment corresponding to the exercise price, where new shares are issued and the exercise payment is recognized as an increase in equity.

Provisions
Provisions are recognized in the balance sheet when the Group has an obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions have been recognized for social security contributions for share-related payments relating to performance-based incentive programs.

Taxes

Income tax comprises current and deferred tax. Income tax is recognized in net income for the year, except when underlying transactions have been recognized under other comprehensive income or under equity, in which case the associated tax effect is recognized under other comprehensive income or under equity. Current tax is tax that is to be paid or received during the current year, based on the tax rates that were adopted or were adopted in practice on the balance sheet date. Current tax also includes adjustment of current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method based on temporary differences between carrying amounts and the value of assets and liabilities for tax purposes. Temporary differences are not taken into account for the difference arising on initial recognition of assets and liabilities which are not business combinations which, at the time of the transaction, do not affect either net profit or loss or profit or loss for tax purposes. In addition, temporary differences attributable to shares in subsidiaries which are not expected to be reversed in the foreseeable future are not recognized. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled.

Deferred tax is calculated using the tax rates and tax rules adopted or adopted in practice on the balance sheet date. Deferred tax receivables in respect of deductible temporary differences and loss carry-forwards are reported only insofar as it is likely that it will be possible for these to be utilized. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilized. Any additional income tax arising in payment of dividend is recognized at the same time as the dividend is recognized as a liability. Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax assets and tax liabilities and when the deferred tax assets and the tax liabilities relate to taxes charged by one and the same tax authority and pertain to either the same taxpayer or a different taxpayer, where there is an intention to settle the balances through net payments.

Classification, etc.

Non-current assets essentially consist of amounts expected to be recovered or paid after more than twelve months, counting from the balance-sheet date, while current assets essentially consist of amounts expected to be recovered within twelve months counting from the balance-sheet date. Non-current liabilities essentially comprise amounts which Sedana Medical (publ) at the end of the reporting period has an unconditional right to decide to pay more than twelve months after the end of the reporting period. If Sedana Medical (publ) does not have such a right at the end of the reporting period, the amount of liability is recognized as a current liability.

Intangible assets

Research and development
All expenditure arising during the research phase is expensed as it arises. Expenditure on development (attributable principally to clinical projects, patents, medical device units), where research results or other knowledge are applied to bring about new or improved products or processes, are recognized as an intangible asset in the statement of financial position, when all the criteria below are met.

- It is technically feasible to complete the intangible asset so that it will be available for use;
- the intention is to complete the intangible asset and use or sell it;
- the company is able to use or sell the intangible asset;
- it is likely that the intangible asset will generate future financial benefits;
- necessary and adequate technical, financial and other resources are available to complete the development and to use or sell the asset;
- the expenditure attributable to the intangible asset can be calculated in a reliable manner.

The carrying amount includes all directly attributable costs, for example for materials and services, employee benefits and amortization of patents and licenses. Other expenditure on development which does not fulfil the criteria above is recognized in net income for the year as an expense when it arises.

Goodwill
The goodwill recognized is the difference between the cost of the Group companies' shares, the value of non-controlling interests in the acquired business and the fair value of previously owned shares, and the carrying amount of the assets acquired and liabilities assumed in the acquisition analysis. Impairment tests are performed annually and whenever there is an indication that an asset may be impaired. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Where the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

Other intangible assets
Other intangible assets which have been acquired by the Group comprise concessions, patents and licenses and are recognized at cost less accumulated amortization and any impairment losses.

Amortization methods
Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets. The useful life lives are reviewed at least annually. Intangible assets with definite useful lives are amortized from the time when they become available for use.

The estimated useful lives of the assets are:

- Concessions, patents, licenses and similar 5–10 years
- Capitalized development expenses/Clinical projects, medical devices 5–10 years

Tangible fixed assets

Tangible fixed assets is recognized in the Group at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenditure directly attributable to the asset in order to bring it into the position and condition necessary for it to be utilized in accordance with the purpose of the acquisition. The carrying amount of an item of tangible fixed assets is derecognized in the statement of financial position on its sale or disposal, and when no future financial benefit can be expected from the use or sale/disposal of the asset. Gains or losses

arising from the sale or disposal of an asset consist of the difference between the sale price and the asset's carrying value, less direct selling expenses. Gains and losses are recognized as other operating income/expense.

Additional expenditure
Additional expenditure is added to cost only if it is likely that the future financial benefits associated with the asset will accrue to the company and the cost can be calculated reliably. All other additional expenses are reported as a cost in the period in which they arise.

amortization methods
Depreciation takes place on a straight-line basis over the estimated useful life of the asset.

Estimated useful lives:
- Plant and machinery 3–5 years
- Equipment, tools, fixtures and fittings 3–5 years

The depreciation methods applied, residual values and useful lives are reviewed at the end of each year.

Financial instruments

The Group's financial assets and liabilities consist of the items cash and cash equivalents, current investments, accounts receivable and accounts payable.

Recognition and initial measurement
Accounts receivable are recognized when they are issued. Other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the instrument. A financial asset or financial liability is measured on initial recognition at fair value plus transaction expenses directly attributable to the acquisition or issue. An account receivable without a significant financing component is measured at the transaction price.

Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at: accrued acquisition value; fair value through other comprehensive income; or fair value through profit or loss. The Group recognizes all financial assets at accrued acquisition value.

Financial assets measured at accrued acquisition value
A financial asset is valued at accrued acquisition value if it fulfils both of the following conditions and has not been identified as measured at fair value through profit or loss:

- it is held under a business model, the objective of which is to hold financial assets for the purpose of obtaining contractual cash flows;
- the agreed terms for the financial asset give rise at particular times to cash flows which are only payments of principal and interest on the outstanding principal.

The subsequent measurement of financial assets measured at accrued acquisition value takes place at accrued acquisition value using the effective interest method. The accrued acquisition value is reduced by any impairment losses. Interest income, exchange gains and losses and impairment losses are recognized in profit or loss. Gains or losses arising on derecognition are recognized in profit or loss.

Accounts receivable
Accounts receivable are amounts attributable to customers regarding goods sold or services carried out in the ordinary course of business. Accounts receivable are classified as current assets. Accounts receivable are initially recognized at fair value. The Group holds accounts receivable for the purpose of collecting contractual cash flows.

Current investments
Current investments relate to cash and cash equivalents invested in what are known as deposits, with a term of 6 months. These are measured at accrued acquisition value and are converted to Swedish kronor at the rate prevailing on the closing date.

Financial liabilities
Financial liabilities are classified as measured at accrued acquisition value or fair value through profit or loss. The Group recognizes all financial liabilities after initial recognition at accrued acquisition value with application of the effective interest method. Interest expenses and exchange gains and losses are recognized in profit or loss. Gains and losses on derecognition are also recognized in profit or loss.

Accounts payable
Accounts payable are financial instruments and pertain to obligations to pay for goods or services which have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are treated as non-current liabilities.

Derecognition in the statement of financial position

Financial assets
The Group derecognizes a financial asset in the statement of financial position when the contractual rights to the cash flows from the financial asset cease, or if it transfers the right to receive the contractual cash flows through a transaction in which all risks and benefits of ownership have been materially transferred, or in which the Group does not transfer or materially retains all the risks and benefits of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognizes a financial liability in the statement of financial position when the commitments stated in the contract are fulfilled, cancelled or ceased. The Group also derecognizes a financial liability when the contractual terms are modified and the cash flows from the modified liability are materially different. In that case a new financial liability is recognized at fair value based on the modified terms. When a financial liability is derecognized, the difference between the carrying amount which has been derecognized and the payment which has been made (including transferred non-monetary assets and assumed liabilities) is recognized in profit or loss.

Cash and cash equivalents
Cash and cash equivalents for the most part consist of cash at financial institutions. Cash and cash equivalents are recognized at their nominal amount, which corresponds to fair value.

Current investments
Current investments consist of investments of cash and cash equivalents (deposits) in SEK and USD, with a maturity of 6 months. These are measured at accrued acquisition value and are converted to Swedish kronor at the rate prevailing on the closing date.

Leases

When a contract is entered into, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right during a particular period to determine the use of an identified asset in exchange for payment. Contracts may contain both lease and non-lease components. The Group distributes the payment under the contract to each component based on the stand-alone price.

Leases where the Group is lessee
The Group leases properties, vehicles and plant and equipment. The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost, which consists of the initial value of the lease liability plus lease payments made on or before the commencement date. The right-of-use asset is amortized on a straight-line basis from the commencement date to the earlier of the end of the period of use of the asset and the end of the lease period, which for the Group is normally the end of the lease period. The lease liability – which is divided into current and non-current portions – is measured initially at the present value of remaining lease payments during the estimated lease period. The lease period consists of the non-terminable period plus further periods in the contract if it is assessed as reasonably certain at the commencement date that these will be utilized. Lease payments are normally discounted at the Group's incremental borrowing rate, which, in addition to the Group's credit risk, reflects the lease term, currency and quality of the underlying asset as collateral.

The lease liability comprises the present value of the following payments during the estimated lease period:

- fixed payments, including in-substance fixed payments;
- variable lease payments linked to an index or a rate, initially measured using the index or rate prevailing at the commencement date.

The value of the liability is increased by the interest expense for the period concerned and is reduced by the lease payments. The interest expense is calculated as the value of the liability times the discount rate. The lease liability for the Group's premises with rent which is index-linked is calculated on the rent applicable at the end of the reporting period concerned. At this time the liability is adjusted, with corresponding adjustment of the carrying amount of the right-of-use asset. In a corresponding manner, the value of the liability and the asset is adjusted at the time when re-assessment is made of the lease term. This takes place at the time when the last termination date within the previously estimated lease term for rental contracts has passed, or when significant events occur or the circumstances have significantly changed in a way which is within the control of the Group and affects the current assessment of the lease term. No right-of-use asset or lease liability is recognized for leases which have a lease term of 12 months or less or with an underlying asset of low value, below KSEK 50. Lease payments for these leases are recognized as an expense on a straight-line basis over the lease term.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated by application of the first-in first-out method (FIFO) and includes expenditure which has arisen in the acquisition of the inventories and transport of these to their current location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and to make the sale.

Impairments

Impairment of tangible fixed assets and intangible assets
Intangible assets which are not ready for use are not amortized but are tested annually for any impairment loss. Assets subject to amortization are reviewed for decrease in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is made in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. In estimating impairment need, assets are grouped at the lowest levels at which there are materially independent cash flows (cash-generating units). For assets which have previously been impaired, a test of whether reversal should be carried out is performed on each balance sheet date.

Impairment of financial assets
The Group estimates future expected credit losses linked to assets recognized at accrued acquisition value. The Group recognizes a credit reserve for such expected credit losses at each reporting date. For accounts receivable, the Group applies the simplified approach for credit reservation, that is to say the reserve will correspond to the expected loss over the whole life of the account receivable. In order to measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and days past due. The Group makes use of forward-looking variables for expected credit losses.

Equity

Share capital
Ordinary shares are classified as equity. Transaction expenses which can be directly attributed to issue of new ordinary shares are recognized, net after tax, in equity as a deduction from the issue proceeds.

Dividends
Dividends are recognized as a liability following approval by the Annual General Meeting.

Earnings per share

The calculation of basic earnings per share is based on the Group's net income for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. In calculating diluted earnings per share, the profit and the average number of shares are adjusted to take account of the effects of diluting potential ordinary shares, which during reported periods originate from warrants issued to employees. The dilution from the warrants is based on a calculation of how many shares hypothetically could have been purchased during the period at the redemption price. The shares which would not have been able to be purchased lead to dilution. Potential ordinary shares are treated as dilutive only during periods when it leads to a lower profit or greater loss per share.

Contingent liabilities

A contingent liability is disclosed when there is a possible commitment that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the Group's control, or when there is a commitment that is not recognized as a liability or provision because it is not likely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

Cash flow statement

The cash flow statement is prepared in accordance with IAS 7, Statement of Cash Flows, using the indirect method. The recognized cash flow includes only transactions involving inflows and outflows of cash. Cash and bank balances are classified as cash and cash equivalents.

Parent Company accounting policies

Basis of preparation of the reports
Sedana Medical AB (publ), corporate identity number 556670–2519, is the Parent Company of the Group. RFR 2 requires the Parent Company to apply in its annual financial statements International Financial Reporting Standards (IFRS) as adopted by the EU, as far as this is possible under the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and with regard to the relationship between accounting and taxation. The recommendation sets out certain exceptions and supplements which are required with regard to IFRS accounting standards. The Parent Company applies the same policies as are presented in the consolidated financial statements, with the exception of the following. The policies have been consistently applied for all years presented, unless otherwise stated. Preparing reports in accordance with RFR 2 necessitates making a number of key accounting estimates. It is also required that the management make certain assessments in applying the Parent Company's accounting policies. The areas containing a high degree of assessment, which are complex or where assumptions and estimates are of material significance to the annual financial statements, are stated in Note 3 to the consolidated financial statements. The Parent Company is exposed through its operations to a number of different financial risks: market risk (currency risk and interest-rate risk), credit risk and liquidity risk. The Parent Company's overall risk management is to endeavor to minimize potential unfavorable effects on the Group's financial results. For more information about financial risks, refer to the Group's Note 28.

Layout
The income statement and balance sheet follow the layout in the Annual Accounts Act. This means differences compared with the consolidated financial statements, principally regarding finance income and expenses, statement of comprehensive income, provisions and statement of changes in equity.

Group contributions
The alternative rule is applied in recognizing Group contributions, which means that both Group contributions received and paid are recognized as appropriations. The tax effect is recognized in profit and loss.

Shares and participations in subsidiaries
Shares and participations in subsidiaries are recognized at cost less any impairments. Cost includes acquisition-related costs and any additional purchase considerations. Dividends received are recognized as finance income. If an amount is distributed exceeding the subsidiary's comprehensive income for the period or meaning that the book value of the net assets of the holding in the consolidated financial statements is less than the book value of the participations, it is an indication of an impairment loss. When there is an indication that shares and participations in subsidiaries have decreased in value, a calculation of recoverable amount is made. If this is lower than the carrying amount, an impairment is made. Impairments are recognized on the line Profit/loss from participations in Group companies.

Financial instruments
Financial assets are classified in a different way in the Parent Company's balance sheet than in the consolidated balance sheet. The principles set out in IFRS 9 accounting standards regarding when financial instruments are to be recognized in and derecognized from a statement of financial position are applied. Financial instruments are measured based on cost. The principles of impairment testing and expected credit loss provision in IFRS 9 accounting standards are applied in calculating the net realizable value of receivables recognized as current assets. For a receivable which is recognized at accrued acquisition value at Group level, this means that the loss reserve recognized in the Group is also taken up in a legal entity. The principles of impairment testing and expected credit loss provision in IFRS 9 accounting standards are applied as far as possible in assessing and calculating impairment loss for financial assets recognized as non-current assets. The simplified method is applied only to intra-group accounts receivable. The complete model is applied to other intra-group receivables. Interest income and interest expense are recognized according to the effective interest method. Dividend income is recognized when the company's right to receive payment of the dividend has been established, it is probable that the financial benefits associated with the dividend will accrue to the company and the dividend can be reliably measured.

Equity
When own development works are capitalized, a corresponding amount is transferred from non-restricted equity to a fund for development expenses which constitutes restricted equity. When capitalized amounts are amortized or impaired or disposed of, a corresponding amount is transferred from the fund for development expenses to non-restricted equity.

Deferred income tax
Amounts allocated as untaxed reserves constitute taxable temporary differences. However, because of the association between recognition and taxation, the deferred tax liability on untaxed reserves in a legal entity is recognized as a part of untaxed reserves. The appropriations in the income statement are also recognized including deferred tax.

Leases
All leases, whether finance or operational, are recognized as operational leases (rental contracts).

NOTE 3 Critical accounting estimates and judgements

Assessments and estimates in the financial statements
The preparation of financial statements in accordance with IFRS accounting standards requires the senior management to make assessments and estimates and to make assumptions that influence the application of the accounting policies and carrying amounts for assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. The estimates and assumptions are reviewed regularly. Changes to these estimates are reported in the period when the change is made if the change has only affected this period, or in the period when the change is made and future periods if the change affects both the current period and future periods. Assessments made by the senior management in application of IFRS accounting standards which have a significant impact on the financial statements and estimates made which may result in material adjustments in the financial statements of the subsequent year are described in more detail below:

Goodwill
In the balance sheet, uncertainty occurs in assessments and estimates of goodwill. Impairment tests are based on assumptions about the future based on circumstances known at the time of the test. When calculating the value in use of the asset, assumptions are made about future earnings trends. The future trend in earnings may deviate from the assumptions made if market conditions change without the company's management adapting its organization and operations to the changed market conditions. In this case, there is a risk that the future earnings trend will be poorer and therefore a risk of significant adjustments to the amounts recognized.

Capitalization of development expenses
Capitalized development expenses are tested for impairment annually, and an assessment is made of whether there is a need for impairment of assets. The test, which is a calculation of the current value of future cash flows generated from the asset, is assessed and approved by the Board. The assets are reviewed monthly. When an asset is completed, a basis needs to be prepared with a confirmed final value of the asset and a proposed depreciation period for approval by the Board. If an assessment is made during the year that the asset has fallen in value, an impairment test is prepared and presented for a decision by the Board. The medical devices which at present are depreciated have been estimated to have a depreciation period of 5 years. The depreciation periods applied by the Group for capitalized development expenses may differ from the technical lifetime. If the asset is found not to fulfil the requirements for the impairment test, the asset carried on the balance sheet is carried wholly or partially as income.

Deferred tax
The valuation of loss carry-forwards and the ability of the company to utilize unused loss carry-forwards is based on the company's estimates of future taxable income in different tax jurisdictions and includes assumptions on whether costs which have not yet been the object of taxation are deductible. The Group for the time being recognizes tax deficits, and no value for loss carry-forwards is recorded in the balance sheet. See also Group Note 11 regarding loss carry-forwards.

Inventories
Inventories are recognized at the lower of cost according to the first-in first-out principle and net realizable value. The value of inventories is adjusted by estimated decrease in value of expired articles and handling expenses. If net realizable value is lower than cost, a reserve is established for inventory obsolescence. The reserve amounts to KSEK 2,360 (2,360). See also Group Note 18 regarding inventories.

Accounts receivable
The group has accounts receivable, primarily in the Swedish parent company, but also to some extent in foreign subsidiaries. The valuation of accounts receivable is based on assessment by management. There is nothing to indicate that further impairments of accounts receivable need to be made as at Dec 31, 2024. For further information on amounts and currencies for accounts receivable, credit loss reserve and maturity structure see Group Note 19.

NOTE 4 Net sales

Revenue by geographical region

The table below shows revenue from external customers broken down by country, based on where customers are located:

KSEK	2024	2023
Sweden (Group domicile)	399	713
Germany (major market)	110,459	105,620
Spain (major market)	35,383	20,635
Other direct markets	19,051	15,201
Distributor markets	13,462	11,698
Total	**178,754**	**153,867**

Revenue per sales channel

The table below shows revenue from external customers broken down by sales channel:

KSEK	2024	2023
Direct sale markets	164,536	142,169
Distributor markets	13,425	11,698
Contract manufacturing	793	-
Total	**178,754**	**153,867**

Intangible assets, tangible fixed assets and right-of-use assets by country

The allocation of assets has been made based on the ownership of the asset, except for goodwill. Goodwill has been allocated to the country in which the company is located.

KSEK	2024	2023
Sweden (Group domicile)	673,123	517,971
Ireland	38,521	34,053
Malaysia	24,296	-
Rest of the world*	2,275	2,334
Total	**738,215**	**554,358**

*Make up the rest of the world, in which no country is considered major.

NOTE 5 Employees, personnel expenses and remuneration of senior executives

Average number of employees

	2024			2023		
	Total	Women	Men	Total	Women	Men
Parent Company						
Sweden	35	19	15	40	20	20
Spain	7	3	4	6	2	4
Total Parent Company	**41**	**22**	**19**	**46**	**22**	**24**
Group						
Ireland	2	2	0	3	2	1
France	5	2	3	6	3	3
Netherlands	2	-	2	3	-	3
Norway	-	-	-	-	-	-
USA	3	2	1	4	3	1
United Kingdom	3	1	2	4	2	2
Germany	17	8	9	14	8	7
Malaysia	2	2	0	-	-	-
Group total	**77**	**39**	**37**	**79**	**38**	**41**
Senior executives, at the end of the year						
Board of Directors	5	2	3	5	2	4
CEO and senior executives	8	3	5	8	3	5

Salary and other remuneration and social security expenses, including pension expenses

KSEK	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension expense	Total
Salaries and other remuneration 2024					
Chairman of the Board Claus Bjerre	762	-	-	-	762
Board member Hilde Furberg	270	-	-	-	270
Board member Ola Magnusson[2]	93	-	-	-	93
Board member Eva Walde[2]	83	-	-	-	83
Board member Christoffer Rosenblad	325	-	-	-	325
Board member Donna Haire[1]	167	-	-	-	167
Board member Jens Viebke[1]	167	-	-	-	167
CEO Johannes Doll	3,821	1,741	4	1,004	6,570
Other senior executives (8 persons)	11,891	1,798	262	2,892	16,843
Total	**17,579**	**3,539**	**266**	**3,896**	**25,280**
Salaries and other remuneration 2023					
Chairman of the Board Claus Bjerre[3]	545	-	-	-	545
Chairman of the Board Thomas Eklund[4]	193	-	-	-	193
Board member Hilde Furberg	242	-	-	-	242
Board member Ola Magnusson	272	-	-	-	272
Board member Eva Walde	242	-	-	-	242
Board member Christoffer Rosenblad	317	-	-	-	317
CEO Johannes Doll	3,260	1,238	4	742	5,244
Other senior executives (8 persons)	10,755	1,460	406	2,810	15,431
Total	**15,826**	**2,698**	**410**	**3,552**	**22,486**

1) Member of the Board from May 2024
2) Member of the Board until May 2024
3) Chairman of the Board from May 2023
4) Chairman of the Board until May 2023

Salaries and other remuneration and social security expenses

KSEK	2024				2023			
	Salaries and other remuner-ation	(of which bonuses)	Social security expenses	(of which pension expenses)	Salaries and other remuner-ation	(of which bonuses)	Social security expenses	(of which pension expenses)
Board members, Chief Executive Officer and other senior executives	21,384	(3,539)	10,140	(3,896)	18,934	(2,698)	9,038	(3,552)
Other employees	60,080	(3,521)	17,725	(5,258)	68,259	(4,509)	22,813	(9,716)
Total	**81,464**	**(7,060)**	**27,865**	**(9,154)**	**87,193**	**(7,207)**	**31,851**	**(13,268)**

KSEK	2024	2023
Salaries and other remuneration	81,464	87,193
Social security contributions	18,711	18,583
Pension expenses – defined-contribution plans	9,154	13,268
Total employee benefits	**109,329**	**119,044**

Remuneration of senior executives
Remuneration of senior executives who are employees may consist of basic salary, variable remuneration, pension and other benefits. In addition to his monthly salary, the CEO Johannes Doll has the right to an annual bonus amounting to not more than nine monthly salaries. The bonus is linked to the Company's sales, its operating income before interest, taxes, depreciation and amortization (EBITDA) and performance in relation to pre-determined targets. In addition to statutory pension, the Company sets aside an amount equivalent to 22 percent of the CEO's fixed monthly salary to an occupational pension scheme determined by the CEO. The mutual period of notice is 12 months. After the end of the notice period, severance pay is paid corresponding to 75 percent of annual fixed salary. In other respects, the CEO is subject to the usual terms of employment containing provisions on secrecy, non-competition and recruitment bans.

For information on guidelines for remuneration of senior executives, see the section on corporate governance, pages 37–40.

For further information on the performance-based incentive programs and warrants, see Note 23.

NOTE 6 Fee and reimbursement of expenses to auditors

KSEK	2024	2023
PwC		
Audit engagement	849	809
Auditing services other than the audit engagement	-	95
Tax advice	138	0
Other services	247	10
Total	1,234	914
Other auditor firm		
Audit engagement	241	297
Auditing services other than the audit engagement	-	-
Tax advice	-	-
Other services	-	-
Total	**241**	**297**
Total	**1,475**	**1,211**

NOTE 7 Operating expenses by type of expense

KSEK	2024	2023
Goods for resale	47,479	39,892
Other external expenses	61,197	60,133
Personnel expenses	99,229	97,836
Depreciation	21,597	22,573
Total	**229,502**	**220,434**

NOTE 8 Other operating income

KSEK	2024	2023
Exchange gains on operating receivables/liabilities	26,406	31,048
Other	-	425
Total	**26,406**	**31,473**

NOTE 9 Other operating expenses

KSEK	2024	2023
Exchange losses on operating receivables/liabilities	26,394	30,043
Other	31	410
Total	**26,425**	**30,453**

NOTE 10 Net financial items

KSEK	2024	2023
Interest income	16,487	15,168
Exchange gains	24,341	705
Total financial income	40,828	15,873
Interest expense, other	-178	-215
Exchange losses	170	-9,130
Total financial expenses	-8	-9,345
Net financial items	**40,819**	**6,528**

NOTE 11 Tax

Current tax expense (–)/tax income (+)

KSEK	2024	2023
Tax expense/tax income for the year	-736	-564
Adjustment of tax attributable to previous years	8	-22
Total current tax	**-728**	**-586**
Deferred tax		
Change in deferred tax	2	-7
Total deferred tax	**2**	**-7**
Total recognized tax expense/tax income	**-726**	**-593**

Reconciliation of recognized tax

KSEK	2024	2023
Profit/loss before tax	-9,948	-59,019
Tax at current tax rate for Parent Company	2,049	12,158
Tax effect of:		
- non-deductible expenses	-428	-172
- non-taxable income	2	-
- other tax rates for foreign subsidiaries/ branches	-808	-1,229
- increase in loss carry-forwards without corresponding capitalization of deferred tax	-2,006	-11,584
- utilization of previously non-capitalized loss carry-forwards	457	256
- tax relating to previous years	8	-22
- deductible expenses not included in profit/ loss		
- other		-
Recognized effective tax	**-726**	**-593**
Average effective tax rate (%)	1.0%	1.0%

The Group has tax loss carry-forwards of KSEK 298,091 (288,024). The tax loss carry-forwards are not time-limited.

NOTE 12 Earnings per share

Earnings per share is calculated by dividing net income for the year by a weighted average number of outstanding ordinary shares during the period. Sedana Medical has potential ordinary shares in the form of warrants. However, these have not yet given rise to any dilution effect for 2023 or 2024 as conversion to ordinary shares means a lower loss per share.

Measure of income used in the calculation of earnings per share

	Before dilution		After dilution	
KSEK	2024	2023	2024	2023
Profit attributable to shareholders in the Parent Company:				
Earnings per share, before and after dilution	-0.11	-0.60	-0.11	-0.60
Total	**-0.11**	**-0.60**	**-0.11**	**-0.60**

Weighted average number of ordinary shares

	2024	2023
Weighted average number of ordinary shares in calculation of earnings per share before dilution	99,336,960	99,336,960
Adjustment for calculation of earnings per share after dilution:		
Warrants	-	-
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculation of earnings per share after dilution	**99,336,960**	**99,336,960**

NOTE 13 Capitalized expenditure on development work and similar work

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	578,019	410,432
- Acquisitions	172,422	167,863
- Translation differences for the year	1,199	-276
- At the end of the year	**751,640**	**578,019**
Accumulated depreciation according to plan:		
- At the beginning of the year	-35,314	-19,902
- Depreciation for the year	-15,861	-15,443
- Translation differences for the year	-127	31
- At the end of the year	**-51,301**	**-35,314**
Carrying amount at the end of the year	**700,339**	**542,705**
The carrying amount above relates to:		
Development work within the medical sector	695,579	535,852
Other capitalized development expenses	4,759	6,853
Depreciation for the year by function:		
Cost of goods sold	-682	-685
Selling expenses	-13,589	-13,188
Administrative expenses	-1,284	-1,265
Research and development expenses	-305	-305

Total expenditure on research and development expensed during the period amounts to KSEK 20,294 (20,805).

Expenditure on development work is capitalized as it arises. Impairment testing of capitalized expenditure takes place annually and when there are indications of an impairment loss. capitalized expenditure for development work has been impairment tested on the basis of budget and forecasts, where the first year in the forecast is based on the company's budget and the subsequent years have been restated with estimated rate of growth. The rate of growth has been produced internally, based on historical data, the management's combined experience and the management's best estimate of the company's development potential and market growth. The forecast cash flows have been computed at present value with a discount rate of 17 percent before tax. The most important variables in the forecast are market share and market growth, gross margins, selling expenses and investments. Recoverable amount, which in the Group is calculated as value in use, exceeds the carrying amount for all impairment-tested assets. The senior management's assessment is that no reasonable changes to the important variables and assumptions lead to the recoverable amount of the entity becoming lower than the carrying amounts.

NOTE 14 Concessions, patents, licenses, trademarks and similar rights and goodwill

Concessions, patents, licenses, trademarks and similar rights

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	12,235	11,803
- Acquisitions	365	511
- Translation differences for the year	768	-79
- At the end of the year	**13,368**	**12,235**
Accumulated depreciation according to plan:		
- At the beginning of the year	-8,909	-8,954
- Depreciation for the year	-215	-9
- Translation differences for the year	-650	54
- At the end of the year	**-9,774**	**-8,909**
Carrying amount at the end of the year	**3,594**	**3,326**

The income statement includes amortization for the year as above wholly under Cost of goods sold.

Goodwill

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	-	-
- Acquisitions	26,462	-
- Translation differences for the year	107	-
- At the end of the year	**26,569**	**0**

Impairment test
Any impairment of goodwill is determined each year by calculating a future value in use for each individual cash-generating unit. If the carrying amount of goodwill exceeds the estimated value in use, an impairment is recognized. No impairment test was performed in 2024 as the company was acquired on November 30, 2024.

NOTE 15 Plant and machinery

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	4,341	3,997
- Acquisitions	-	353
- Reclassifications	-	-
- Disposals	-	-
- Translation differences for the year	105	-9
- At the end of the year	**4,446**	**4,341**
Accumulated depreciation according to plan:		
- At the beginning of the year	-3,477	-3,042
- Reclassifications	-	-
- Depreciation for the year	-278	-447
- Disposals	-	-
- Translation differences for the year	-103	12
- At the end of the year	**-3,858**	**-3,477**
Carrying amount at the end of the year	**588**	**864**

NOTE 16 Equipment, tools, fixtures and fittings

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	12,610	13,036
- Acquisitions	2,216	162
-Accumulated acquisition values in acquired businesses	637	-
- Disposals	-741	-578
- Reclassifications	-	-
- Translation differences for the year	124	-10
- At the end of the year	**14,846**	**12,610**
Accumulated depreciation according to plan:		
- At the beginning of the year	-10,059	-8,544
- Reclassifications	-	-
- Disposals	530	370
- Depreciation for the year	-1,513	-1,903
- Translation differences for the year	-117	18
- At the end of the year	**-11,158**	**-10,059**
Carrying amount at the end of the year	**3,688**	**2,551**

NOTE 17 Deferred tax

Deferred tax receivables and liabilities are broken down as follows:

KSEK	Dec 31, 2024	Dec 31, 2023
Deferred tax assets:		
Loss carry-forwards	-	-
Inventories	-	-
Lease liability	22	31
Deferred tax liabilities:		
Right-of-use asset	-6	-7
Deferred tax assets (net)	**16**	**24**

KSEK	Loss carry-forwards	Lease liability	Inventories	Total
Deferred tax assets:				
At January 1, 2023	-	29	0	29
Recognized in the comprehensive income statement, 2023	-	2	-	2
At December 31, 2023	-	31	0	31
Recognized in the comprehensive income statement, 2024	-	-9		-9
At December 31, 2024	**-**	**22**	**0**	**22**

KSEK	Loss carry-forwards	Lease liability	Inventories	Total
Deferred tax liabilities:				
At January 1, 2023	-	-7	0	-7
Recognized in the comprehensive income statement, 2023	-	-	-	-
At December 31, 2022	-	-7	0	-7
Recognized in the comprehensive income statement, 2024	-	1	-	1
At December 31, 2024	**-**	**-6**	**0**	**-6**

NOTE 18 Inventories

KSEK	Dec 31, 2024	Dec 31, 2023
Raw materials and consumables	4,009	5,544
Finished goods and goods for resale	41,551	37,431
Total	**45,560**	**42,975**

During the financial year, the cost of goods sold was recognized in the income statement at KSEK 44,886 (KSEK 36,791) as cost of goods sold.

NOTE 19 Accounts receivable

KSEK	Dec 31, 2024	Dec 31, 2023
Accounts receivable	27,339	24,201
Less provision for expected credit losses	-800	-22
Accounts receivable – net	**26,539**	**24,179**

Group reserve for expected credit losses at December 31, 2024 totals KSEK 800 (22). Credit losses are generally low, one of the reasons for this being that the majority of the receivables are issued to public hospitals, where ability to pay is good and risk is low. The fair value of accounts receivable corresponds to their carrying amount, as the discounting effect is not significant. No accounts receivable have been pledged as security for any liability.

Recognized amounts, per currency, for Group accounts receivable are as follows:

KSEK	Dec 31, 2024	Dec 31, 2023
EUR	21,422	21,855
GBP	2,540	2,040
USD	2,585	0
SEK	-146	207
NOK	137	64
DKK	-	13
MYR	-	0
Accounts receivable – net	**26,539**	**24,179**

The age analysis of the Group's accounts receivable is as follows:

	Expected level of loss in %	Recognized amount gross	Loan loss reserve
December 31, 2024			
Not overdue	0%	18,455	-
Overdue 1–30 days	0%	3,769	-
Overdue 31–60 days	0%	1,734	-
Overdue 61–90 days	0%	1,656	-
Overdue more than 90 days	46%	1,725	-800
Total		**27,339**	**-800**
December 31, 2023			
Not overdue	0%	2,603	-
Overdue 1–30 days	0%	13,456	-
Overdue 31–60 days	0%	2,780	-
Overdue 61–90 days	0%	1,484	-
Overdue more than 90 days	1%	3,878	-22
Total		**24,201**	**-22**

NOTE 20 Prepaid expenses and accrued income

KSEK	Dec 31, 2024	Dec 31, 2023
Rent	59	505
Bonus	268	1,073
Insurance	604	687
Development expenditure	626	584
Software	1,309	1,439
Marketing, congresses	532	233
Other	2,457	180
Total	**5,855**	**4,701**

NOTE 21 Cash and cash equivalents

KSEK	Dec 31, 2024	Dec 31, 2023
Bank deposits	193,960	231,180
Total	**193,960**	**231,180**

NOTE 22 Shareholders' equity

KSEK	Number of shares	Share capital	Other contributed capital
Share capital and other contributed capital			
At January 1, 2024	99,336,960	2,483	1,226,435
At December 31, 2024	99,336,960	2,483	1,226,934
At December 31, 2024	**99,336,960**	**2,483**	**1,226,934**

The share capital at December 31, 2024 consists of 99,336,960 ordinary shares with a quotient value of SEK 0.025.

NOTE 23 Incentive programs

The purpose of share-based incentive programs is to promote the long-term interests of the Group by motivating and rewarding the company's senior executives and other employees in line with the interests of shareholders. Sedana Medical at present has one performance-based incentive program and two warrant programs that include the company's management and employees.

Performance based incentive program LTI 2024

Program	Position	Number outstanding at December 31, 2023	Allocated	Forfeited	Vested	Number outstanding at December 31, 2024
LTI 2024	CEO	–	226,762	–	0%	226,762
LTI 2024	Other senior executives	–	496,041	–	0%	496,041
LTI 2024	Other employees	–	340,000	–	0%	340,000
LTI 2024	**Total**	**–**	**1,062,803**	**–**	**0**	**1,062,803**

Performance based incentive program LTI 2024

Program	Allocation date	Due date	Fair value in SEK on issuance of the incentive program (per performance right)	Exercise price	Volatility	Risk-free interest rate	Number of shares covered by the incentive program as of December 31, 2024	Vested
LTI 2024	Sep 16, 2024	Apr 30, 2027	5.93	26.33	45%	2.3%	1,062,803	0%

Warrants 2023

Program	Position	Number of acquired warrants at the beginning of the year	Number of acquired warrants during the year	Number of lapsed warrants during the year	Number of bought-back warrants during the year	Number of warrants at the end of the year	Terms*	Exercise price (SEK)
2020/2023	CEO	–	–	–	–	–	1:1	83.65
2020/2023	Other senior executives	4.000	–	-4,000	–	–	1:1	83.65
2020/2023	Other employees	26.560	–	-26,560	–	–	1:1	83.65
2020/2023	**Total**	**30.560**	**–**	**-30,560**	**–**	**–**	**1:1**	**83.65**
Exercise period June 1, 2023 - September 30, 2023								
2020/2024	CEO	–	–	–	–	–	1:1	123.88
2020/2024	Other senior executives	25,200	–	–	–	25,200	1:1	123.88
2020/2024	Other employees	123,252	–	–	–	123,252	1:1	123.88
2020/2024	**Total**	**148,452**	**–**	**–**	**–**	**148,452**	**1:1**	**123.88**
Exercise period February 1, 2024 - May 31, 2024								
2022/2025:1	CEO	495,000	–	–	–	495,000	1:1	46.24
2022/2025:1	Other senior executives	–	–	–	–	–	1:1	46.24
2022/2025:1	Other employees	–	–	–	–	–	1:1	46.24
2022/2025:1	**Total**	**495,000**	**–**	**–**	**–**	**495,000**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
2022/2025:2	CEO	–	–	–	–	–	1:1	46.24
2022/2025:2	Other senior executives	231,606	–	–	–	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	–	–	–	98,341	1:1	46.24
2022/2025:2	**Total**	**329,947**	**–**	**–**	**–**	**329,947**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
Total	CEO	495,000	–	–	–	495,000		
Total	Other senior executives	260,806	–	-4,000	–	256,806		
Total	Other employees	248,153	–	-26,560	–	221,593		
	Total	**1,003,959**	**–**	**-30,560**	**–**	**973,399**		

Warrants 2024

Program	Position	Number of acquired warrants at the beginning of the year	Number of acquired warrants during the year	Number of lapsed warrants during the year	Number of bought-back warrants during the year	Number of warrants at the end of the year	Terms*	Exercise price (SEK)
2020/2024	CEO	–	–	–	–	–	1:1	123.88
2020/2024	Other senior executives	25,200	–	-25,200	–	–	1:1	123.88
2020/2024	Other employees	123,252	–	-123,252	–	–	1:1	123.88
2020/2024	**Total**	**148,452**	**–**	**-148,452**	**–**	**–**	**1:1**	**123.88**
Exercise period February 1, 2024 - May 31, 2024								
2022/2025:1	CEO	495,000	–	–	–	495,000	1:1	46.24
2022/2025:1	Other senior executives	–	–	–	–	–	1:1	46.24
2022/2025:1	Other employees	–	–	–	–	–	1:1	46.24
2022/2025:1	**Total**	**495,000**	**–**	**–**	**–**	**495,000**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
2022/2025:2	CEO	–	–	–	–	–	1:1	46.24
2022/2025:2	Other senior executives	231,606	–	–	–	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	–	–	–	98,341	1:1	46.24
2022/2025:2	**Total**	**329,947**	**–**	**–**	**–**	**329,947**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
Total	CEO	495,000	–	–	–	495,000		
Total	Other senior executives	256,806	–	-25,200	–	231,606		
Total	Other employees	221,593	–	-123,252	–	98,341		
	Total	**973,399**	**–**	**-148,452**	**–**	**824,947**		

* 1: 1 = 1 warrant = 1 share on conversion. All amounts are restated according to a 4: 1 split, May 27, 2021

NOTE 24 Leases

Leases where the company is lessee
Group tangible fixed assets consists of both owned and leased assets.

Sedana Medical leases several types of assets: properties, vehicles and equipment and tools. No leases contain covenants or other restrictions beyond the security in the leased asset.

KSEK	Dec 31, 2024	Dec 31, 2023
Tangible fixed assets owned	4,276	3,415
Right-of-use assets	6,349	4,912
Total	**10,624**	**8,327**

Right-of-use asset

KSEK	Buildings	Vehicles	Equipment and tools	Total
At January 1, 2023	4,879	4,392	0	9,271
Depreciation during the year, 2023	-2,537	-2,594	-	-5,131
New assets		772	-	772
At December 31, 2023	**2,342**	**2,570**	**0**	**4,912**
Depreciation during the year, 2024	-1,232	-2,499	-	-3,731
New assets	2,800	2,368	-	5,168
Closing balance, December 31, 2024	**3,910**	**2,439**	**0**	**6,349**

Lease liability

KSEK	Dec 31, 2024	Dec 31, 2023
Lease liability included in statement of financial position		
Current lease liabilities	3,334	3,294
Non-current lease liabilities	2,583	1,012
Total	**5,917**	**4,306**

For a maturity analysis of lease liabilities, see Note 28 Financial risks and risk management in the section on liquidity risk.

Amount recognized in profit or loss

KSEK	2024	2023
Interest on lease liabilities	168	174
Depreciation	3,731	5,131
Variable lease payments not included in lease liability	1,948	976
Costs of short-term leases	58	27
Costs of leases of low value, not short-term leases of low value	30	34
Total	**5,935**	**6,342**

Amounts recognized in the cash flow statement

KSEK	2024	2023
Total cash flows attributable to leases	**-3,571**	**-7,201**

NOTE 25 Other current liabilities

KSEK	Dec 31, 2024	Dec 31, 2023
VAT	4,464	4,654
Employee withholding tax	1,967	1,967
Social security contributions	1,102	1,296
Liabilities to employees	664	535
Liability on acquisition	2,364	0
Other liabilities	41	19
Total	**10,601**	**8,471**

NOTE 26 Accrued expenses and prepaid income

KSEK	Dec 31, 2024	Dec 31, 2023
Salaries, vacations, social security expenses	15,751	15,308
Lawyers' fees	156	404
Consultants' fees	2,340	1,605
Auditing	1,406	1,093
Transport	320	232
Development expenditure	6,888	4,890
Other	1,754	1,301
Total	**28,615**	**24,833**

NOTE 27 Changes in liabilities belonging to financing activities

			Non-cash items		
KSEK	Dec 31, 2022	Cash flow	Exchange-rate differences	Newly signed leases	Dec 31, 2023
Lease liability	8,743	-4,857	-36	456	4,306
Total	**8,743**	**-4,857**	**-36**	**456**	**4,306**

			Non-cash items		
KSEK	Dec 31, 2023	Cash flow	Exchange-rate differences	Newly signed leases	Dec 31, 2024
Lease liability	4,306	-3,571	-94	5,276	5,917
Total	**4,306**	**-3,571**	**-94**	**5,276**	**5,917**

NOTE 28 Financial risk and risk management

Classification and fair value
All financial instruments are measured at accrued acquisition value. Carrying amount of accounts receivable, current investments, cash and cash equivalents and accounts payable represents a reasonable approximation of fair value.

Financial risks and risk management
The Group is exposed to various types of financial risks through its operations.

Framework for financial risk management
The Group's treasury policy for management of financial risks has been approved by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits on financing activities. Responsibility for the Group's financial transactions and risks is managed centrally by Group's financial function, which is within the Parent Company. The overarching objective for the financial function is to provide cost-effective financing and to minimize negative effects on Group earnings originating from market risks, contract risks, tax risks, currency risks, etc. The CFO, who is ultimately responsible for ensuring that the financial policy is followed and that the risks are minimized, reports regularly to the Group audit committee, which is chaired by a member of the Board.

Financial instruments

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets measured at accrued acquisition value	Financial liabilities measured at accrued acquisition value	Total
Dec 31, 2024					
Accounts receivable	-	-	26,539	-	26,539
Current investments	-	-	-	-	-
Cash and cash equivalents	-	-	193,960	-	193,960
Total financial assets	**-**	**-**	**220,499**	**-**	**220,499**
Deferred purchase consideration [1]	-	-	-	9,140	9,140
Accounts payable	-	-	-	5,953	5,953
Total financial liabilities	**-**	**-**	**-**	**15,093**	**15,093**
Dec 31, 2023					
Accounts receivable	-	-	24,180	-	24,180
Current investments	-	-	150,624	-	150,624
Cash and cash equivalents	-	-	231,180	-	231,180
Total financial assets	**-**	**-**	**405,984**	**-**	**405,984**
Borrowing from credit institutions	-	-	-	-	-
Accounts payable	-	-	-	5,292	5,292
Total financial liabilities	**-**	**-**	**-**	**5,292**	**5,292**

1) Refers to current liability preliminary purchase consideration and non-current deferred purchase consideration for Innovatif Cekal, see Note 30.

Currency risk
The company reports its financial position and earnings in Swedish kronor (SEK). On the other hand, a large proportion of the company's operating expenses and almost all revenue consist of euros. As a result, Sedana Medical is exposed to currency risks in relation to payment flows in and outside Sweden and the eurozone, such as fluctuations where the exchange rate changes from the time when an agreement is concluded until payment takes place under the agreement. This can lead to currency transaction losses or gains (transaction exposure), which the company cannot predict. Currency transaction losses could lead to significant adverse effects on the company's future operations, financial position and profits. In addition, comparability between periods is affected by changes in exchange rates.

Sensitivity analysis of currency risk

Risk	Change, %	Effect on income, KSEK	Effect on net assets, KSEK
Currency			
EUR/SEK	+/- 10%	6,809	9,399
USD/SEK	+/- 10%	85	14,691

Liquidity risk
The liquidity risk is the risk of the Group facing problems in fulfilling its obligations which are associated with financial liabilities. The Group monitors liquidity monthly in comparison to the tactical and strategic financial plan and prepares a liquidity plan weekly. The Group's strategic forecasts covering 5 years contain long-term liquidity planning. Liquidity planning is used to manage liquidity risk and the costs of financing of the Group. The objective is for the Group to be able to meet its financial commitments in both upturns and downturns without significant unpredictable costs and without risking the Group's reputation. The liquidity risks are managed centrally for the whole Group by the central financial department. Sedana Medical ensures short-term payment readiness by having good liquidity readiness in the form of cash resources. The Group's financial liabilities consist mostly of liabilities attributable to day-to-day operations with short maturities of between 30 and 60 days.

Credit risk
The Group's financial transactions give risk to credit risks towards financial counterparties. Credit risk or counterparty risk means the risk of loss if the counterparty does not fulfil its obligations. Sedana Medical's credit risk policy states that credit risk must be limited by only counterparties with good creditworthiness being accepted and through regulated agreements. There is a financial credit risk principally through the company's banks in different countries. Sedana Medical only uses large and well-established banks with a high credit rating in the country concerned, and locates cash and current investments in banks in stable jurisdictions, primarily Sweden. Commercial credit risk is limited by a homogeneous customer stock with good creditworthiness as 90% of the company's accounts receivable are issued to the public sector (direct sale). Credit risk is also assessed as low in relation to Sedana Medical's customers in the private sector (distributors). However, a more extensive credit risk assessment is made for these receivables. For maturity analysis of accounts receivable, see also Group Note 19.

Market risk
The largest single market risk for Sedana Medical is political. Changes in healthcare remuneration systems may have great effects on individual markets by grants being reduced or deferred to the future. This risk is limited by Sedana Medical operating in a large number of geographical markets.

Maturity analysis – Maturity structure of financial liabilities

KSEK	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	More than 5 years	Total
December 31, 2024							
Liability on acquisition	2,364	8,500	-	-	-	-	**10,864**
Lease liabilities	3,434	1,330	1,330	-	-	-	**6,094**
Accounts payable	5,953	-	-	-	-	-	**5,953**
December 31, 2023							
Lease liabilities	3,393	521	521	-	-	-	**4,435**
Accounts payable	5,169	-	-	-	-	-	**5,169**

NOTE 29 Related party transactions

Transactions with related parties take place on market terms. During 2021, a consulting agreement was signed between Sedana Medical and board member Claus Bjerre. In total, since the agreement was signed, KSEK 360 regarding this agreement has been settled. The agreement ended during the second quarter of 2024. In 2024, a consultancy agreement was signed between Sedana Medical and The Eriah Group Inc. The Eriah Group Inc. The Board member Donna Haire is the CEO of The Eriah Group Inc., and the company invoiced services totaling 167 KSEK during the period.

Sedana Medical recognizes remuneration and benefits to senior executives in accordance with IAS 19 Employee benefits. Further information can be found in Note 5 to the consolidated financial statements.

NOTE 30 Acquisition of Innovatif Cekal

On November 29, 2024 Sedana Medical acquired all the shares in Innovatif Cekal, the supplier of the company's main product (Sedaconda ACD). Innovatif Cekal is consolidated in Sedana Medical's financial statements from December 1, 2024.

The purpose of the acquisition is to increase control of the supply chain and improve profitability by reducing the cost of goods. The acquisition gives us direct control over a larger share of our cost of goods sold, reducing the risks related to future cost fluctuations and supply disruptions. The acquisition enables improved control of the future scale-up of production capacity to meet our growth plans. Over time, once the existing inventory at the time of completion of the transaction is exhausted, the deal is expected to add two percentage points to Sedana Medical's EBITDA margin.

The preliminary purchase consideration for the shares is MSEK 34 on a cash and debt free basis, adjusted for changes in working capital. The purchase consideration has been financed by own cash and cash equivalents. 75% of the preliminary purchase consideration was paid on November 29, 2024 and the remaining 25% of the purchase consideration will be paid in two years. Both the acquisition analysis and the current liability are provisional until the balance sheet of Innovatif Cekal as of November 29 has been established. The current liability consists of the difference between the estimated operational working capital at the acquisition date and the operational working capital at the end of November 2024 according to the provisional balance sheet.

Acquisition-related costs amounted to KSEK 1,322 thousand and have been recognized in the Group as administrative expenses.

The Group has consolidated net sales of KSEK 793, and the Group's earnings have been affected by KSEK 166.

Preliminary acquisition analysis

(KSEK)	
Purchase consideration	
Cash and cash equivalents	29,214
Short-term debt preliminary purchase price	2,364
Deferred purchase consideration	6,776
Total purchase consideration	**38,354**

The preliminary acquisition analysis of the Innovatif Cekal acquisition is presented below:

(KSEK)	
Fair value of assets acquired and liabilities assumed	
Intangible assets	242
Tangible fixed assets	632
Warehouse	4,985
Current receivables excluding cash and cash equivalents	4,590
Cash and cash equivalents	4,238
Deferred tax liabilities	-55
Current liabilities	-2,739
Total net assets acquired excluding goodwill	**11,892**
Goodwill	26,462
Total net assets acquired	**38,354**
Less	
Deferred purchase consideration	-6,776
Short-term debt preliminary purchase price	-2,364
Cash and cash equivalents	-4,238
Net cash flow on acquisition of business	**24,976**

Parent Company income statement

KSEK	Note	2024	2023
Net sales	1,2	177,736	153,767
Cost of goods sold	2,5	-50,271	-43,115
Gross profit		**127,465**	**110,652**
Operating expenses	3, 4, 5, 8		
Selling expenses		-57,625	-62,200
Administrative expenses		-112,560	-101,608
Research and development expenses		-18,224	-18,137
Other operating income	2,6	35,103	43,665
Other operating expenses	7	-26,348	-29,656
Operating income		**-52,189**	**-57,284**
Profit/loss from financial items			
Financial income		43,220	18,701
Financial expenses		129	-9,183
Net financial items	9	**43,350**	**9,518**
Income after financial items		**-8,840**	**-47,766**
Group contributions	10	11	11
Profit/loss before tax		**-8,828**	**-47,754**
Income tax	11	-	-
Net income for the year		**-8,828**	**-47,754**

Parent Company statement of other comprehensive income

KSEK	Note	2024	2023
Net income for the year		**-8,828**	**-47,754**
Other comprehensive income			
Items that may be reclassified later to the income statement:			
Translation differences from operations abroad		-139	-17
Other comprehensive income during the year, net after tax		**-139**	**-17**
Comprehensive income for the year		**-8,968**	**-47,771**

Parent Company balance sheet

KSEK	Note	2024	2023
ASSETS			
Intangible assets			
Capitalized development expenditure	12	665,834	512,707
Tangible fixed assets			
Plant and machinery	13	581	819
Equipment, tools, fixtures and fittings	14	2,977	2,345
Financial assets			
Participations in Group companies	15	40,080	404
Receivables in Group companies	16	41,258	36,874
Total non-current assets		**750,729**	**553,149**
Inventories	17	39,599	42,975
Tax receivables		2,259	124
Accounts receivable	18	22,606	21,807
Receivables in Group companies		61,784	60,603
Prepaid expenses and accrued income	19	5,298	4,451
Other receivables		2,627	4,234
Current investments		-	150,624
Cash and bank balances	20	176,424	215,921
Total current assets		**310,597**	**500,739**
TOTAL ASSETS		**1,061,327**	**1,053,888**

KSEK	Note	2024	2023
EQUITY AND LIABILITIES			
Equity	21,22		
Restricted equity			
Share capital		2,483	2,483
Fund for development expenditure		661,075	505,854
Non-restricted equity			
Share premium reserve		1,226,934	1,226,435
Retained earnings		-887,493	-684,378
Net income for the year		-8,828	-47,754
Equity attributable to shareholders in the Parent Company		**994,171**	**1,002,640**
Provisions			
Other provisions	22	157	-
Total provisions		**157**	**-**
Non-current liabilities			
Other non-current liabilities	31	6,776	-
Total non-current liabilities		**6,776**	**-**
Current liabilities			
Accounts payable		5,904	4,428
Liabilities to Group companies		21,067	18,170
Tax liabilities		1,848	1,066
Other liabilities	23	9,209	7,018
Accrued expenses and prepaid income	24	22,195	20,566
Total current liabilities		**60,223**	**51,248**
Total liabilities		**67,156**	**51,248**
TOTAL EQUITY AND LIABILITIES		**1,061,327**	**1,053,888**

Change in equity, Parent Company

Equity attributable to shareholders in the Parent Company

KSEK	Restricted equity		Non-restricted equity		Total
	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings incl. net income for the year	Total equity
Opening equity at Jan 1, 2023	**2,483**	**356,396**	**1,226,435**	**-534,903**	**1,050,411**
Net income for the year	-	-	-	-47,754	-47,754
Other comprehensive income for the year	-	-	-	-17	-17
Comprehensive income for the year	**-**	**-**	**-**	**-47,771**	**-47,771**
Changes in the carrying amounts recognized directly in equity					
Premium received on issue of warrants	-	-	-	-	-
Buyback of warrants	-	-	-	-	-
Expenses for warrant programs	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Transfer between items in equity					
Capitalization of development expenditure		149,458	-	-149,458	-
Total	**-**	**149,458**	**-**	**-149,458**	**-**
Closing equity at Dec 31, 2023	**2,483**	**505,854**	**1,226,435**	**-732,132**	**1,002,640**
Opening equity at Jan 1, 2024	**2,483**	**505,854**	**1,226,435**	**-732,132**	**1,002,640**
Net income for the year	-	-	-	-8,828	-8,828
Other comprehensive income for the year	-	-	-	-139	-139
Comprehensive income for the year	**-**	**-**	**-**	**-8,968**	**-8,968**
Changes in the carrying amounts recognized directly in equity					
Incentive programs	-	-	498	-	498
Premium received on issue of warrants	-	-	-	-	-
Buyback of warrants	-	-	-	-	-
Expenses for warrant program	-	-	-	-	-
Total	**-**	**-**	**498**	**0**	**498**
Transfer between items in equity					
Capitalization of development expenditure	-	155,221	-	-155,221	-
Total	**-**	**155,221**	**-**	**-155,221**	**-**
Closing equity at Dec 31, 2024	**2,483**	**661,075**	**1,226,934**	**-896,321**	**994,171**

Parent Company cash flow statement

KSEK	Note	2024	2023
Operating activities			
Operating income		-52,189	-57,283
Adjustments for non-cash items:			
Depreciation, amortization and impairment		17,359	16,763
Exchange-rate differences		-3,128	5,838
Other non-cash items		876	219
Total		**-37,082**	**-34,463**
Interest received		16,475	15,155
Interest paid		-9	-40
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		**-20,617**	**-19,348**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		3,376	-4,378
Increase (-)/Decrease (+) in operating receivables		64	-17,325
Increase (+)/Decrease (-) in operating liabilities		1,626	-3,994
Cash flow from operating activities		**-15,551**	**-45,045**
Investing activities			
Investments in intangible assets	12	-168,305	-161,995
Investments in tangible fixed assets	13.14	-2,216	-515
Investments in subsidiaries		-30,536	-
Investments in current investments		-	-465,417
Sale of current investments		155,307	312,348
Cash flow from investing activities		**-45,751**	**-315,579**
Financing activities			
Premium received for exercise of warrants		-	-
Expenses for warrant program		-	-
Buyback of warrants		-	-
Cash flow from financing activities		**-**	**-**
Cash flow for the period		**-61,301**	**-360,624**
Cash and cash equivalents at the beginning of the period		215,921	587,909
Exchange rate difference in cash and cash equivalents		21,804	-11,364
Cash and cash equivalents at the end of the year	20	**176,424**	**215,921**

Parent Company notes

NOTE 1 Net sales

Revenue by geographical region
The table below shows revenue from external customers broken down by country, based on where customers are located:

KSEK	2024	2023
Sweden (Group domicile)	376	713
Germany (major market)	110,460	105,620
Other direct markets	53,475	35,736
Distributor markets	13,425	11,698
Total	**177,736**	**153,767**

For information concerning intra-group sales, see Note 2.

NOTE 2 Intra-Group purchases and sales

KSEK	2024	2023
Sale of goods relating to Group companies	7,752	7,301
Operating income concerning services relating to Group companies	12,349	12,066
Purchase of goods relating to Group companies	17	-8

NOTE 3 Employees, personnel expenses and remuneration of senior executives

Average number of employees

	2024			2023		
	Total	Women	Men	Total	Women	Men
Parent Company						
Sweden	35	19	15	48	20	20
Spain	7	3	4	5	2	4
Total Parent Company	**41**	**22**	**19**	**53**	**22**	**24**
Senior executives, at the end of the year						
Board of Directors	5	2	3	5	2	3
CEO and senior executives	7	3	4	8	3	5

Salaries and other remuneration and social security expenses

	2024				2023			
KSEK	Salaries and other remuneration	(of which bonuses)	Social security expenses	(of which pension expenses)	Salaries and other remun-eration	(of which bonuses)	Social security expenses	(of which pension expenses)
Board members, Chief Executive Officer and other senior executives	19,255	(3,323)	9,928	(3,799)	18,125	(2,527)	8,927	(3,528)
Other employees	29,841	(1,807)	11,078	(3,943)	35,642	(2,934)	13,384	(4,826)
Total	**49,096**	**(5,130)**	**21,005**	**(7,742)**	**53,767**	**(5,461)**	**22,311**	**(8,355)**

KSEK	2024	2023
Salaries and other remuneration	49,096	53,767
Social security contributions	13,263	13,957
Pension expenses – defined-contribution plans	7,742	8,355
Total employee benefits	**70,102**	**76,079**

Remuneration of senior executives
Remuneration of senior executives who are employees may consist of basic salary, variable remuneration, pension and other benefits. In addition to his monthly salary, the CEO Johannes Doll has the right to an annual bonus amounting to not more than nine monthly salaries. The bonus is linked to the Company's sales, its operating earnings before interest, taxes, depreciation and amortization (EBITDA), the Company's cash and cash equivalents at year-end and performance in relation to pre-determined targets. In addition to statutory pension, the Company sets aside an amount equivalent to 22 percent of the CEO's fixed monthly salary to an occupational pension scheme determined by the CEO. The mutual period of notice is 12 months. After the end of the notice period, severance pay is paid corresponding to 75 percent of annual fixed salary. In other respects, the CEO is subject to the usual terms of employment containing provisions on secrecy, non-competition and recruitment bans.

For information on guidelines for remuneration of senior executives, see the section on corporate governance, pages 37–40.

For further information on the performance-based incentive programs and warrants, see Note 22.

NOTE 4 Fee and reimbursement of expenses to auditors

KSEK	2024	2023
PwC		
Audit engagement	849	809
Auditing services other than the audit engagement	-	95
Tax advice	138	0
Other services	247	10
Total	1,234	914
Other auditor firm		
Audit engagement	-	-
Auditing services other than the audit engagement	-	-
Tax advice	-	-
Other services	-	-
Total	0	0
Total	**1,234**	**914**

NOTE 5 Operating expenses by type of expense

KSEK	2024	2023
Goods for resale	47,024	39,932
Personnel expenses	62,112	63,117
Depreciation	16,790	16,763
Other operating expenses	112,754	105,248
Total	**238,679**	**225,060**

NOTE 6 Other operating income

KSEK	2024	2023
Exchange gains on operating receivables/liabilities	25,406	31,189
Intra-group management fee	9,697	12,066
Other	0	410
Total	**35,103**	**43,665**

NOTE 7 Other operating expenses

KSEK	2024	2023
Exchange losses on operating receivables/liabilities	26,318	29,257
Other	30	399
Total	**26,348**	**29,656**

NOTE 8 Operating leases – Lessee

KSEK	2024	2023
Contracted future minimum lease payments for non-cancellable contracts fall due:		
- Within one year	2,006	3,215
- Between one and five years	3,246	467
Total	**5,251**	**3,682**
Expensed lease payments for the year	3,352	4,588
Of which rent for premises	2,128	3,436

NOTE 9 Net financial items

KSEK	2024	2023
Interest income, Group companies	2,953	2,836
Interest income, other	16,475	15,155
Exchange gains	23,793	710
Total financial income	43,220	18,701
Interest expense, other	-9	-40
Exchange losses	139	-9,143
Total financial expenses	129	-9,183
Total	**43,350**	**9,518**

NOTE 10 Appropriations

KSEK	2024	2023
Group contributions paid	-	-
Group contributions received	11	11
Total	**11**	**11**

NOTE 11 Tax

Current tax expense (-)/tax income (+)

KSEK	2024	2023
Tax expense/tax income for the year	-	-
Adjustment of tax attributable to previous years	-	-
Total current tax	**-**	**-**
Deferred tax		
Deferred tax on temporary differences	-	-
Total deferred tax	**-**	**-**
Total recognized tax expense/ tax income	**-**	**-**

Reconciliation of recognized tax

KSEK	2024	2023
Profit/loss before tax	-8,828	-47,754
Tax at current tax rate for Parent Company	1,819	9,837
Tax effect of:		
- non-deductible expenses	-217	-125
- other tax rates for foreign subsidiaries/ branches	-52	-45
- increase in tax loss carry-forwards without corresponding capitalization of deferred tax	-1,844	-9,923
- utilization of previously non-capitalized loss carry-forwards	294	256
- deductible expenses not included in profit or loss	-	-
- other	-	-
Recognized effective tax	**-**	**-**

Unutilized loss carry-forwards for which no deferred tax receivable has been recognized total KSEK 245,416 at Dec 31, 2024 (Dec 31, 2023: KSEK 238,690). The loss carry-forwards are not time-limited.
Deferred tax receivable is not recognized as the Group has judged the criteria for recognizing a deferred tax receivable in accordance with IAS 12 not to be met.

NOTE 12 Capitalized expenditure on development work

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	544,515	382,520
- Acquisitions	168,305	161,995
- Translation differences for the year		
- At the end of the year	**712,820**	**544,515**
Accumulated depreciation according to plan:		
- At the beginning of the year	-31,808	-17,050
- Depreciation for the year	-15,178	-14,757
- Translation differences for the year		
- At the end of the year	**-46,986**	**-31,808**
Carrying amount at the end of the year	**665,834**	**512,707**
The carrying amount above relates to:		
Development work within the medical sector	661,075	505,854
Other capitalized development expenses	4,759	6,853
Depreciation for the year by function:		
Selling expenses	-13,589	-13,188
Administrative expenses	-1,284	-1,265
Research and development expenses	-305	-305

NOTE 13 Plant and machinery

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	1,369	1,015
- Acquisitions	-	354
- Reclassifications	-	-
- Disposals	-	-
- Translation differences for the year	-	-
- At the end of the year	**1,369**	**1,369**
Accumulated depreciation according to plan:		
- At the beginning of the year	-550	-220
- Reclassifications	-	-
- Depreciation for the year	-238	-330
- Disposals	-	-
- Translation differences for the year	-	-
- At the end of the year	**-788**	**-550**
Carrying amount at the end of the year	**581**	**819**

NOTE 14 Equipment, tools, fixtures and fittings

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	9,449	9,867
- Acquisitions	2,216	161
- Disposals	-741	-578
- Translation differences for the year	12	-1
- At the end of the year	**10,936**	**9,449**
Accumulated depreciation according to plan:		
- At the beginning of the year	-7,104	-5,801
- Depreciation for the year	-1,374	-1,676
- Disposals	530	370
- Translation differences for the year	-12	3
- At the end of the year	**-7,959**	**-7,104**
Carrying amount at the end of the year	**2,977**	**2,345**

NOTE 15 Shares and participations in Group companies

KSEK	Corporate identity number	Domicile and country of registration and operation	Share of equity directly owned by the Parent Company (%)	Share of equity directly owned by the Group (%)	Number of shares	Book value Dec 31, 2024	Book value Dec 31, 2023
Sedana Medical Ltd	IE551634	Naas, Ireland	100%		1	0	0
Sedana Medical Incentive AB	559109-8826	Danderyd, Sweden	100%		50,000	50	50
Sedana Medical Sàrl	809 876 865	Paris, France		100%	2,000	-	-
Sedana Medical Norway AS	822 363 202	Oslo, Norway	100%		30,000	33	33
Sedana Medical UK Ltd	NI659985	Belfast, UK	100%		1	0	0
Sedana Medical Germany GmbH	HRB250971	Geretsried-Gelting, Germany	100%		26,000	313	313
Sedana Medical Netherlands B.V.	76 605 434	Amsterdam, Netherlands	100%		1	0	0
Sedana Medical Inc.	86-3543115	Wilmington, USA	100%		100	8	8
Innovatif Cekal Sdn Bhd	200101022975 (558733-V)	Klang, Malaysia	100%		25,000	39,676	0

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
Opening cost	404	404
Acquired participating interests	39,676	-
Reclassifications	-	-
Closing accumulated cost	**40,080**	**404**
Accumulated impairments:		
Opening accumulated impairments	-	-
Impairments for the year	-	-
Closing accumulated impairments	**-**	**-**
Closing carrying amount	**40,080**	**404**

NOTE 16 Receivables in Group companies

KSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition:		
- At the beginning of the year	52,227	49,916
- Added receivables	2,959	2,803
- Deducted receivables	1,965	-492
- At the end of the year	**57,151**	**52,227**
Accumulated impairments:		
- At the beginning of the year	-15,353	-15,398
- Currency translation	-540	45
- At the end of the year	**-15,893**	**-15,353**
Carrying amount at the end of the year	**41,258**	**36,874**

NOTE 17 Inventories

KSEK	Dec 31, 2024	Dec 31, 2023
Raw materials and consumables	4,009	5,544
Finished goods and goods for resale	35,590	37,431
Total	**39,599**	**42,975**

During the financial year, the cost of goods sold was recognized in the income statement
at KSEK 46,673 (KSEK 39,932) as cost of goods sold.

NOTE 18 Accounts receivable

KSEK	Dec 31, 2024	Dec 31, 2023
Accounts receivable	23,197	21,829
Less provision for expected credit losses	-591	-22
Accounts receivable – net	**22,606**	**21,807**

The fair value of accounts receivable corresponds to their carrying amount, as the discounting effect is not significant.

No accounts receivable have been pledged as security for any liability.

Recognized amounts, by currency, for Parent Company accounts receivable are as follows:

KSEK	Dec 31, 2024	Dec 31, 2023
EUR	19,957	19,482
SEK	-146	207
GBP	2,540	2,040
NOK	137	65
DKK	-	13
USD	117	-
Accounts receivable – net	**22,606**	**21,807**

NOTE 19 Prepaid expenses and accrued income

KSEK	Dec 31, 2024	Dec 31, 2023
Rent	316	805
Bonus	268	1,073
Insurance	581	649
Software	1,293	1,408
Marketing, congresses	303	20
Other	2,537	496
Total	**5,298**	**4,451**

NOTE 20 Cash and cash equivalents

KSEK	Dec 31, 2024	Dec 31, 2023
Bank deposits	176,424	215,921
Total	**176,424**	**215,921**

NOTE 21 Shareholders' equity

KSEK	Number of shares	Share capital	Other contributed capital
At December 31, 2023	99,336,960	2,483	1,226,435
Warrant programs	0	0	0
At December 31, 2024	**99,336,960**	**2,483**	**1,226,435**

The share capital at December 31, 2024 consists of 99,336,960 ordinary shares with a quotient value of SEK 0.025.

NOTE 22 Incentive programs

The purpose of share-based incentive programs is to promote the long-term interests of the Group by motivating and rewarding the company's senior executives and other employees in line with the interests of shareholders. Sedana Medical at present has one performance-based incentive program and two warrant programs that include the company's management and employees.

Performance based incentive program LTI 2024

Program	Position	Number outstanding at December 31, 2023	Allocated	Forfeited	Vested	Number outstanding at December 31, 2024
LTI 2024	CEO	-	226,762	-	0%	226,762
LTI 2024	Other senior executives	-	496,041	-	0%	496,041
LTI 2024	Other employees	-	340,000	-	0%	340,000
LTI 2024	**Total**	**-**	**1,062,803**	**-**	**0**	**1,062,803**

Performance based incentive program LTI 2024

Program	Allocation date	Due date	Fair value in SEK on issuance of the incentive program (per performance right)	Exercise price	Volatility	Risk-free interest rate	Number of shares covered by the incentive program as of December 31, 2024	Vested
LTI 2024	Sep 16, 2024	Apr 30, 2027	5.93	26.33	45%	2.3%	1,062,803	0%

NOTE 22 Incentive programs - continued

Warrants 2023

Program	Position	Number of acquired warrants at the beginning of the year	Number of acquired warrants during the year	Number of lapsed warrants during the year	Number of bought-back warrants during the year	Number of warrants at the end of the year	Terms*	Exercise price (SEK)
2020/2023	CEO	-	-	-	-	-	1:1	83.65
2020/2023	Other senior executives	4,000	-	-4,000	-	-	1:1	83.65
2020/2023	Other employees	26,560	-	-26,560	-	-	1:1	83.65
2020/2023	**Total**	**30,560**	**-**	**-30,560**	**-**	**-**	**1:1**	**83.65**
Exercise period June 1, 2023 - September 30, 2023								
2020/2024	CEO	-	-	-	-	-	1:1	123.88
2020/2024	Other senior executives	25,200	-	-	-	25,200	1:1	123.88
2020/2024	Other employees	123,252	-	-	-	123,252	1:1	123.88
2020/2024	**Total**	**148,452**	**-**	**-**	**-**	**148,452**	**1:1**	**123.88**
Exercise period February 1, 2024 - May 31, 2024								
2022/2025:1	CEO	495,000	-	-	-	495,000	1:1	46.24
2022/2025:1	Other senior executives	-	-	-	-	-	1:1	46.24
2022/2025:1	Other employees	-	-	-	-	-	1:1	46.24
2022/2025:1	**Total**	**495,000**	**-**	**-**	**-**	**495,000**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
2022/2025:2	CEO	-	-	-	-	-	1:1	46.24
2022/2025:2	Other senior executives	231,606	-	-	-	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	-	-	-	98,341	1:1	46.24
2022/2025:2	**Total**	**329,947**	**-**	**-**	**-**	**329,947**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
Total	CEO	495,000	-	-	-	495,000		
Total	Other senior executives	260,806	-	-4,000	-	256,806		
Total	Other employees	248,153	-	-26,560	-	221,593		
	Total	**1,003,959**	**-**	**-30,560**	**-**	**973,399**		

Warrants 2024

Program	Position	Number of acquired warrants at the beginning of the year	Number of acquired warrants during the year	Number of lapsed warrants during the year	Number of bought-back warrants during the year	Number of warrants at the end of the year	Terms*	Exercise price (SEK)
2020/2024	CEO	-	-	-	-	-	1:1	123.88
2020/2024	Other senior executives	25,200	-	-25,200	-	-	1:1	123.88
2020/2024	Other employees	123,252	-	-123,252	-	-	1:1	123.88
2020/2024	**Total**	**148,452**	**-**	**-148,452**	**-**	**-**	**1:1**	**123.88**
Exercise period February 1, 2024 - May 31, 2024								
2022/2025:1	CEO	495,000	-	-	-	495,000	1:1	46.24
2022/2025:1	Other senior executives	-	-	-	-	-	1:1	46.24
2022/2025:1	Other employees	-	-	-	-	-	1:1	46.24
2022/2025:1	**Total**	**495,000**	**-**	**-**	**-**	**495,000**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
2022/2025:2	CEO	-	-	-	-	-	1:1	46.24
2022/2025:2	Other senior executives	231,606	-	-	-	231,606	1:1	46.24
2022/2025:2	Other employees	98,341	-	-	-	98,341	1:1	46.24
2022/2025:2	**Total**	**329,947**	**-**	**-**	**-**	**329,947**	**1:1**	**46.24**
Exercise period May 30, 2025 - September 30, 2025								
Total	CEO	495,000	-	-	-	495,000		
Total	Other senior executives	256,806	-	-25,200	-	231,606		
Total	Other employees	221,593	-	-123,252	-	98,341		
	Total	**973,399**	**-**	**-148,452**	**-**	**824,947**		

* 1: 1 = 1 warrant = 1 share on conversion. All amounts are restated according to a 4: 1 split, May 27, 2021

NOTE 23 Other current liabilities

KSEK	Dec 31, 2024	Dec 31, 2023
VAT	4,414	4,572
Employee withholding tax	1,469	1,490
Social security contributions	851	956
Liabilities to employees	104	-
Liability on acquisition	2,364	-
Other liabilities	7	-
Total	**9,209**	**7,018**

NOTE 24 Accrued expenses and prepaid income

KSEK	Dec 31, 2024	Dec 31, 2023
Salaries, vacations, social security expenses	10,729	12,204
Consultants' fees	1,981	933
Auditing	859	829
Transport	320	232
Development expenditure	6,888	4,818
Other	1,418	1,550
Total	**22,195**	**20,566**

NOTE 25 Appropriation of profit or loss

SEK	
Funds available to the Annual General Meeting:	
Accumulated loss	-887,990,918
Share premium reserve	1,226,933,571
Net income for the year	-8,828,430
Total	**330,114,223**
The Board proposes that the available funds be appropriated as follows:	
Share premium reserve	1,226,933,571
Accumulated loss in new account	-896,819,347
Total	**330,114,223**

NOTE 26 Related party transactions

Transactions with related parties take place on market terms. During 2021, a consulting agreement was signed between Sedana Medical and board member Claus Bjerre. In total, since the agreement was signed, KSEK 360 regarding this agreement has been settled. The agreement ended during the second quarter of 2024. In 2024, a consultancy agreement was signed between Sedana Medical and The Eriah Group Inc. The Eriah Group Inc. The Board member Donna Haire is the CEO of The Eriah Group Inc., and the company invoiced services totaling 167 KSEK during the period.

For information concerning remuneration of senior executives and incentive programs, see Notes 5 and 23 to the consolidated financial statements.

NOTE 27 Significant events after the end of the financial year

- In February, Sedaconda (isoflurane) received an additional year of market protection, extending the protection period to 2032.
- In February, Sedana Medical also announced that the company's second pivotal US study INSPiRE-ICU 2 had reached its primary endpoint.
- To date, nine countries, including the company's main market Germany, have granted national approvals for the pediatric indication of Sedaconda (isoflurane).

Certification by the Board of Directors and the Chief Executive Officer

The Board of Directors certifies that this annual report provides a true and fair view of the Group's operations, financial position and results.

Danderyd, April 10, 2025

Claus Bjerre
Chairman of the Board

Hilde Furberg
Board member

Jens Viebke
Board member

Christoffer Rosenblad
Board member

Donna Haire
Board member

Johannes Doll
President and CEO

Our auditor's report was submitted on April 10, 2025.

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Sedana Medical AB (publ), corporate identity number 556670-2519

Report on the annual accounts and consolidated accounts

Uttalanden

We have audited the annual accounts and consolidated accounts of Sedana Medical AB (publ) (publ) for the year 2024 except for the corporate governance statement on pages 37-40. The annual accounts and consolidated accounts of the company are included on pages 31-69 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 37-40. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors and the Managing Director override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

SKey audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit considered the key audit matter
Capitalized development expenses The Group's carrying amount attributable to capitalized development expenses amounts to SEK 700 million. The item is material from a financial reporting perspective and therefore constitutes a significant area in the audit. The Group conducts ongoing development work aimed at developing new products and further developing existing products. Important estimates and assessments include, among other things, whether the requirements for reporting the expenses as an asset in the balance sheet are met and its valuation. These development expenses are not all amortized, which is why management must make an assessment each year of whether there is an impairment requirement. Management has therefore assessed the significant factors that are decisive for the valuation and reporting of the assets and carried out a test of whether there is an impairment requirement. The Group's annual report, note 2 Significant accounting and valuation principles, section Intangible assets, shows how the Group has reported and valued the balance sheet item. Note 3, Important estimates and judgments for accounting purposes, describes the judgments made by the Group. Management has determined that there is no need for impairment of the capitalized development expenses.	In the audit of the capitalized development expenses, we have performed the following audit procedures, among other things: • We have gained an understanding of and evaluated Sedana Medical's processes for recognizing development expenses as an asset and assessing the value of the asset. • We have reviewed, on a sample basis, the expenses capitalized during the year with the aim of assessing whether the expenses qualify for recognition as assets based on Sedana Medical's principles and applicable accounting regulations. • We have reviewed and reviewed the financial plan that the management and the board of directors have approved, which forms the basis for the cash flows considered in the valuation of the capitalized development expenses. • As part of the audit, we have reviewed the valuation and whether there is a need for impairment. • We have also reviewed the information provided in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual report and consolidated financial statements and is found on pages 1-30 and 74-79. The information in "Sedana Medical AB's remuneration report 2024", which is published on the company's website at the same time as this report, also constitutes other information.

The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sedana Medical AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the

Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sedana Medical AB (publ) (publ) for the year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sedana Medical AB (publ) (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 37-40 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/the Annual Accounts Act for Credit Institutions and Securities Companies/the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed as Sedana Medical AB (publ)'s auditor by the general meeting of shareholders on 22 may 2024 and has been the company's auditor since 19 may 2020.

Stockholm, April 10, 2025

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Board of Directors

CLAUS BJERRE

Born: 1971 **Nationality:** Danish

Position: Chairman of the Board and Member of the Board of Sedana Medical since 2021.

Education and work experience: Claus holds an M.Sc. from Copenhagen Business School and an MBA in strategy and economics from UCLA Anderson School of Management. He was CEO of Atos Medical 2014–2018. Atos Medical was sold by EQT to PAI Partners in 2016. From 2006 to 2014, Claus held many senior positions in Coloplast A/S, a Danish global medtech company that provides consumer products, most recently as President, Chronic Care, North America, Japan, and Australia. Prior to Coloplast, he spent 10 years in corporate strategy, mergers and acquisitions and private equity in various sectors for McKinsey & Company, Nordic Capital and Mattel.

Other current appointments: Chairman of the Board of Clinisupplies Ltd., senior advisor to KKR & Co, Inc. and CEO at Eden Invest LLC.

Shareholding in Sedana Medical: 240,000 shares. Independent in relation to both the company and its management and the company's major shareholders.

HILDE FURBERG

Born: 1958 **Nationality:** Norwegian

Position: Member of the Board of Sedana Medical since 2022.

Education and work experience: Hilde Furberg holds a master's degree in chemistry from Oslo University and is an independent consultant and professional Board member. She has broad experience of leadership from her 35 years in sales, marketing, strategy and management in Pharma/Biotech, from both small and large global businesses. Hilde has worked operationally in businesses such as Genzyme and Baxter, most recently as Senior President EMEA Rare Diseases for Sanofi Genzyme. In addition to this, Hilde has experience as a member of the boards of BerGenBio, Probi, Pronova, Clavis, Algeta, Tappin and CombiGene and as Chair of the Board of Blueprint Genetics.

Other current appointments: Industrial advisor to Investinor and member of the boards of PCI Biotech, OncoZenge, Bio-Me and Herantis.

Shareholding in Sedana Medical: 4,500 shares. Independent in relation to both the company and its management and the company's major shareholders.

DONNA HAIRE

Born: 1969 **Nationality:** American

Position: Member of the Board of Sedana Medical since 2024.

Education and work experience: Donna Haire holds a Master's degree in Biology from Cleveland State University and a Bachelor's degree in Biology from the University of Akron. She is a senior executive with over 30 years of experience in the healthcare, pharmaceutical and medical device industries. Donna has held positions as Executive Vice President at On Target Laboratories, Vice President, Head of Medical Care Global Regulatory Affairs at Bayer, Senior Vice President Regulatory, Quality, Clinical, and Medical Affairs at AngioDynamics, and has held senior positions at Philips Healthcare and Medtronic. She was an adjunct professor at the University of Akron School of Law. She served as a member of AdvaMed's Technical and Regulatory Board Committee. Donna was appointed as a US regulatory expert to lead several international trade negotiations on regulatory convergence.

Other current appointments: CEO of the Eriah Group, Inc, member of the Board of FluoGuide A/S.

Shareholding in Sedana Medical: No shareholding. Independent in relation to both the company and its management and the company's major shareholders.

CHRISTOFFER ROSENBLAD

Born: 1975 **Nationality:** Swedish

Position: Member of the Board of Sedana Medical since 2020.

Education and work experience: Christoffer holds a master's degree in engineering from Chalmers University of Technology and an MSc in business and economics from the School of Business, Economics and Law at the University of Gothenburg. During the period 2012–2020 he was CFO of XVIVO Perfusion AB. During the period 2015–2017, he led XVIVO's North American operations and was resident in the United States. During the period from 2001 to 2012, he held senior positions in finance and strategic management at Novartis and LG Electronics.

Other current appointments: CEO of XVIVO Perfusion AB member of the board in Bentley Endovascular Group AB.

Shareholding in Sedana Medical: 20,000 shares. Independent in relation to both the company and its management and the company's major shareholders.

JENS VIEBKE

Born: 1967 **Nationality:** Swedish

Position: Member of the Board of Sedana Medical since 2024.

Education and work experience: Jens Viebke holds a Ph.D. in Polymer Science from the Royal Institute of Technology in Stockholm and an Executive MBA from the Stockholm School of Economics. He has previously been Head of Acute Care Therapies and of the Critical Care and Vascular Systems divisions within the Medical Systems business area at Getinge AB. Jens has many years of solid experience from the healthcare industry and has previously held senior positions in research and development as well as strategy and marketing at other major companies in the healthcare industry such as GE Healthcare and Pharmacia & Upjohn.

Other current appointments: Member of the Board of Stille AB.

Shareholding in Sedana Medical: 20,000 shares. Independent in relation to both the company and its management and the company's major shareholders.

Management team

JOHANNES DOLL

Born: 1981

Nationality: German

Position: President and CEO since October 2021

Education and work experience: MBA, University of Texas, and Dipl. Kaufmann, WHU Otto Beisheim School of Management, Germany. During the period 2013–2021, Johannes was part of the management team at Orexo AB, most recently as Executive Vice President & Chief Commercial Officer. Before that, 2004–2013, Johannes worked at McKinsey & Company as an adviser to companies in the global pharmaceutical and medtech industries and also to venture capital companies.

Shareholding in Sedana Medical: 117,630 shares, 495,000 warrants and 226,762 rights to receive shares.

STEFAN KRISCH

Born: 1974

Nationality: Swedish

Position: Supply Chain and Manufacturing Director since March 2021.

Education and work experience: Master's degree in mechanical engineering from the Royal Institute of Technology (KTH) in Stockholm, Sweden and Technische Universität Darmstadt, Germany. Studies in economics at Stockholm University. Stefan has around 20 years of experience of working in senior positions in various industries, principally in manufacturing, logistics and business development. Former CEO of Svensk Dos AB, CEO of Dipylon Medical AB and production manager at AB Gustavsberg. Founder of Eker Bicycles AB and Eker Production Ltd, Uganda.

Other current appointments: Chairman of the Board of Eker Bicycles AB and Eker Production Ltd, Uganda. Owner of K-Consulting (sole proprietorship).

Shareholding in Sedana Medical: 32,600 shares, 49,200 warrants and 70,863 rights to receive shares.

PETER SACKEY

Born: 1971

Nationality: Swedish

Position: Medical Director of Sedana Medical since January 2018, employed since 2018.

Education and work experience: Peter obtained his degree in medicine at Karolinska Institutet, Stockholm in 1997. Before he started at Sedana Medical, he worked for more than 20 years in the Department of Perioperative Medicine and Intensive Care, Karolinska University Hospital and holds European qualifications in anesthesia (DESA) and intensive care (EDIC). He defended his PhD thesis entitled "Isoflurane sedation in Intensive Care Unit patients" at Karolinska Institutet in 2006. Peter is an associate professor at Karolinska Institutet and has supervised several doctoral students in sedation in intensive care and pain monitoring, and continues to be active in research in intensive care.

Previous positions: Senior Consultant, Head of Neurocritical Care, Department of Perioperative Medicine and Intensive Care, Karolinska University Hospital.

Other current appointments: Associate professor, Department of Physiology and Pharmacology, Karolinska Institutet.

Shareholding in Sedana Medical: 229,468 shares, 69,073 warrants and 70,863 rights to receive shares.

Organization

Sedana Medical has staff with a broad background and experience in company management, marketing, sales, production and R&D from both the pharmaceutical and medical technology industries. Sedana Medical's head office is in Danderyd, Stockholm. The Group also has a number of employed product specialists in the Netherlands, Germany, France, the Nordics, the UK and Spain. During 2024, the average number of employees was 83. Through its long-term, determined efforts, the Group has created a strong organization that attracts experienced personnel to the company. In recent years, Sedana Medical has made the organization well prepared for the market launch of inhaled sedation therapy. To achieve its operational and financial objectives, Sedana Medical has paid close attention to strengthening its product specialist organization on current and future markets and boosting pharmaceutical expertise throughout the organization.

Company management

The Group's management team consists of President and CEO Johannes Doll, Supply Chain and Manufacturing Director Stefan Krisch, Chief Medical Officer Peter Sackey, Chief Financial Officer Johan Spetz, General Manager Germany Uwe Veismann, General Counsel Karolina Vilval and Vice President Regulatory Affairs and QA Jessica Westfal.

JOHAN SPETZ

Born: 1984

Nationality: Swedish

Position: Chief Financial Officer since April 2022.

Education and work experience: Johan holds an MSc from the Stockholm School of Economics. Over the period 2013–2021 Johan worked at the investment bank Pareto Securities, of which in 2015–2021 as partner and head of equities analysis in Stockholm. Before Pareto, Johan worked as a financial analyst at Goldman Sachs in London and New York, 2009–2013.

Shareholding in Sedana Medical: 115,073 shares, 69,073 warrants and 70,863 rights to receive shares.

KAROLINA VILVAL

Born: 1979

Nationality: Swedish

Position: General Counsel since August 2022.

Education and work experience: Law degree from Stockholm University. Karolina has worked as a lawyer in the pharmaceutical industry for more than 15 years. Before joining Sedana Medical, she worked at Oncopeptides as General Counsel. Karolina has previously worked at Gilead Sciences, Biovitrum and Swedish Orphan Biovitrum (Sobi) in various positions in Legal Affairs.

Shareholding in Sedana Medical: No shares. 70,863 rights to receive shares.

JESSICA WESTFAL

Born: 1974

Nationality: Swedish

Position: Vice President Regulatory Affairs and QA since May 2020.

Education and work experience: Jessica holds an M.Sc. in analytical chemistry from Umeå University. She has previously worked at Unimedic AB (2006–2020), among other things as head of quality and product development, and at AstraZeneca AB (1998–2006).

Shareholding in Sedana Medical: No shares. 14,260 warrants and 70,863 rights to receive shares. Related party 5 692 shares.

UWE VEISMANN

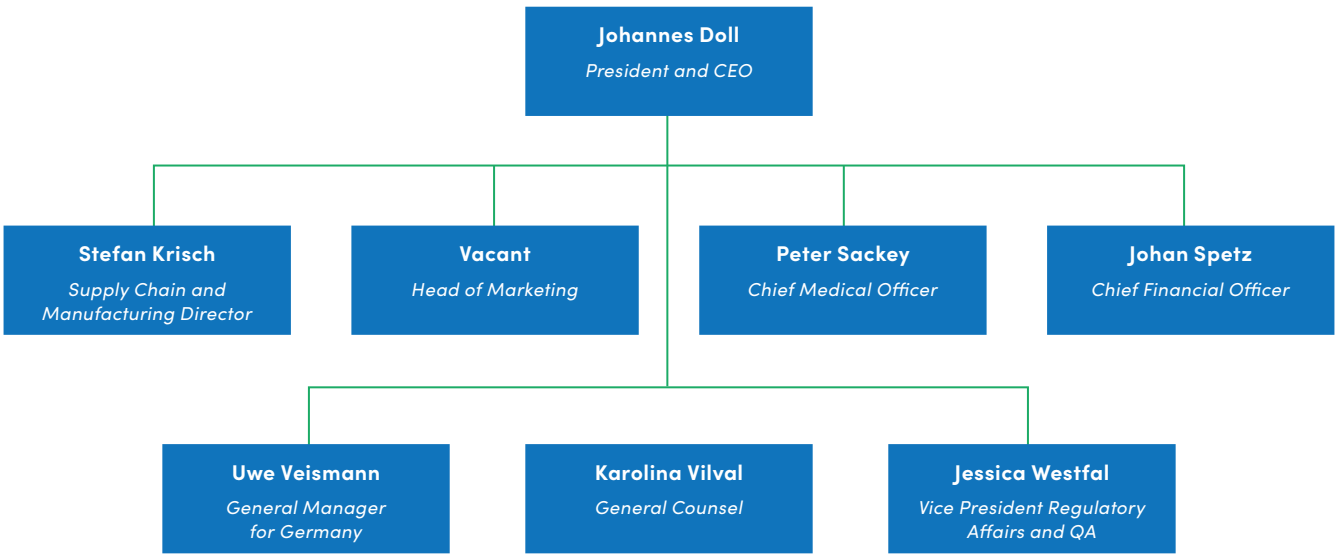
Born: 1981

Nationality: German

Position: General Manager Germany since July 2023, previously Country Manager for Germany.

Education and work experience: Uwe has nurse training from Münster University since 2003 with qualifications in intensive care and anesthesia from 2008 and with six years of experience from various medical departments. In addition, Uwe holds a Bachelor Professional of Pharmaceutical Consultancy (CCI) from October 2021. He began his career at Sedana Medical as Area Sales Manager in October 2009 and was appointed country manager for Germany in 2016, fulfilling the role of General Manager Germany since July 2023.

Shareholding in Sedana Medical: No shares. 70,863 rights to receive shares.



Literature references

Page	Footnote	Source:
18	3	Bellgardt, M., Bomberg, M., Dasch B. et al, Survivial after longterm isoflurane sedation as opposed to intravenous sedation in cirtically ill surgical patients, Eur J Anaesthesiol 2015; 32: 18
18	4	Sackey, PV, Martling CR, Granath F, Radell PJ. Prolonged isoflurane sedation of intensive care unit patients with the Anest hetic Conserving Device. Crit Care Med., 2004;32(11): 2241 2246
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18	6	Heider et al. Does volatile sedation with sevoflurane allow spontaneous breathing during prolonged prone positioning in intubated ARDS patients? A retrospective observational feasibility trial. Ann. Intensive Care (2019) 9:41
18	7	Stephan A. Schug, Detlev Zech and Stefan Grand. Adverse Effects of Systemic Opioid Analgesics Drug Safety 199;27 (3):200213
18	8	Bellgardt, M., Bomberg, M., Dasch B. et al, Survival after longterm isoflurane sedation as opposed to intravenous sedation in critically ill surgical patients, Eur J Anaesthesiol 2015; 32:18

Glossary

ARDS Acute Respiratory Distress Syndrome, acute lung failure.

CRO, contract research organization, a company that provides research services on a contractual basis. A CRO may provide services such as biopharmaceutical development, biological assay development, commercialization, preclinical and clinical research.

DCP procedure, decentralized procedure, a parallel, decentralized procedure for marketing authorization of a pharmaceutical product in more than one EU member state. It can be used for pharmaceutical products that do not need to be approved through the centralized procedure and that have not already been approved in any member state.

Dead space A reduction in dead space for ventilated patients is always desirable as excess dead space in relation to the patient's lung volume poses a risk of carbon dioxide being re-breathed.

EMA European Medicines Agency.

FDA US Food and Drug Administration.

General anesthesia otherwise known as narcosis. An umbrella term for putting the patient to sleep far beyond consciousness.

INASED a randomized, controlled trial with 250 patients aimed at showing reduced incidence of delirium in inhaled sedation.

IND approval Investigational New Drug, authorization to start clinical testing and transport a pharmaceutical product within the United States before it has market approval. A similar procedure exists in the EU.

Inhaled sedation sedation by delivery of a volatile anesthetic agent via the respiratory tract.

Isoflurane a pharmaceutical substance that has been used for decades in general anesthesia.

Mechanical ventilation assisted breathing in respiratory failure.

NDA, New Drug Application, application to the FDA for approval of a new pharmaceutical product for sale and marketing in the United States.

Pediatric Investigation Plan (PIP) a pediatric investigation plan is a development plan aimed at ensuring that necessary data are obtained through studies on children to support the approval of a pharmaceutical product for children.

PDCO the Pediatric Committee of the European Medicines Agency

Phase III study performed on a very large group of patients to finally define how useful a pharmaceutical product is in treating the disease concerned. In phase I studies the drug candidate is used for the first time in humans to test safety, and in phase II studies the efficacy of the therapy and what dose is optimal are studied.

Propofol infusion syndrome Propofol infusion syndrome (PRIS), a syndrome that can affect patients undergoing long-term therapy with high doses of propofol. It can lead to heart failure, rhabdomyolysis (disintegration of skeletal muscle cells), metabolic acidosis and kidney failure.

Randomized controlled trial (RCT) a study design in which the participants are selected by chance, that it is to say by randomization, either for the group receiving the therapy to be studied or for a control group.

Sedation is putting a person medically into a condition of reduced consciousness in order to alleviate anxiety, agitation and pain.

SESAR a randomized, controlled study covering 700 patients with acute lung failure, also known as Acute Respiratory Distress Syndrome (ARDS), aimed at showing that inhaled sedation has lung-protective properties.

SMRG, Sedana Medical Research Grant, a research grant established in 2019 and awarded annually for research in Sedana Medical's area.

Volatile anesthetic agents, for example isoflurane, sevoflurane and desflurane, can be used for both sedation and general anesthesia.

Shareholder information, future events

Annual General Meeting 2025

The Annual General Meeting of Sedana Medical AB (publ) will be held on Thursday May 15, 2025 at 1.00 pm at Quick Office Danderyd, Svärdvägen 21, Danderyd.

Shareholders wishing to attend the Annual General Meeting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on May 7, 2025 and must give notice of participation in accordance with what is stated in the Notice convening the Annual General Meeting.

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, to be entitled to participate in the Meeting, register their shares in their own name, so that the shareholder is listed in the presentation of the share register as of May 7, 2025. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee.

Voting rights registrations that have been made by the nominee no later than May 9, 2025 will be taken into account in the presentation of the share register. Additional instructions will be stated in the Notice convening the Annual General Meeting, which will be published in April. Registration of arrival at the meeting will begin at 12.30 pm.

Address details and corporate identity number

Sedana Medical AB (publ)
Svärdvägen 3A
SE-182 33 Danderyd, Sweden
Corporate identity number: 556670–2519

Financial calendar

Interim report 1st quarter 2025:	May 6, 2025
Annual General Meeting 2025:	May 15, 2025
Interim report 2nd quarter 2025:	July 18, 2025
Interim report 3rd quarter 2025:	October 24 2025

sedanamedical
Bringing inhaled sedation to intensive care

www.sedanamedical.com

Sedana Medical AB (publ)
Svärdvägen 3A
SE-182 33 Danderyd, Sweden

Telephone: +46 8 124 05 200
E-mail: info@sedanamedical.com
Investor relations: ir@sedanamedical.com