

## SEDANA MEDICAL COMPLETES THE ACQUISITION OF ITS MAIN SUPPLIER

Sedana Medical AB (publ) has today completed the acquisition of Innovatif Cekal, the supplier of the company's main product (Sedaconda ACD). The acquisition will enable better control of the supply chain and improved profitability by reducing the cost of goods sold. 75% of the 34 MSEK total purchase price has been paid today from existing cash, and the remaining 25% will be paid in two years.

The closing conditions have now been completed in accordance with the share purchase agreement announced by the company on July 22, 2024. The transaction is a good strategic fit and is expected to be financially accretive for Sedana Medical.

- Improved control of the supply chain: Through this acquisition, Sedana Medical assumes direct control over a larger share of its cost of goods sold, which reduces 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 the company's growth plans. In addition, it allows for potential productivity initiatives to be implemented over time.
- Improved profitability: The acquisition is expected to improve Sedana Medical's gross margin on its main device, starting in the second half of 2025 once the existing inventory has been depleted, and thereby add approximately 2 percentage points to the company's EBITDA margin over time. Consequently, the company expects value creation from the acquisition which will grow over time and be well in excess of the purchase price.

"The acquisition of Innovatif Cekal marks a significant milestone in our journey to sustainable, long-term profitability. We are delighted to welcome our new colleagues to the Sedana Medical team and are eager to work together to make a meaningful impact for intensive care patients worldwide", says Johannes Doll, President and CEO of Sedana Medical.

### Purchase price, valuation and cashflow effects

Sedana Medical purchases all shares in Innovatif Cekal for 34 MSEK on a cash and debt free basis. 75% of the purchase price is paid today, and the remaining 25% is to be paid in two years. Based on Innovatif Cekal's financial result for the year 2023, the purchase price corresponds to an EBITDA multiple of 4.3x and a P/E multiple of 5.7x. There is no long-term debt in Innovatif Cekal.

Related to the acquisition, Sedana Medical has incurred non-recurring costs of 2,5 MSEK during 2024, mainly related to legal advisors.

Sedana Medical will finance the transaction with existing cash. At the end of Q3 2024, the company had a cash balance of 226 MSEK. The acquisition is expected to have a net positive impact on Sedana Medical's cash flow from operations from 2025 and a net positive impact on its cash balance from 2028. Importantly, the company remains financed to deliver on its strategic plan also after this acquisition, including obtaining market approval in the USA.

For more background information on Innovatif Cekal, see Sedana Medical's press release published 22 July 2024: *Sedana Medical to acquire its main supplier to take control of supply chain and reduce cost of goods.*

**For additional information, please contact:**

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**About Sedana Medical**

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Sedana Medical AB (publ) is a pioneer medtech and pharmaceutical company focused on inhaled sedation to improve the patient's life during and beyond sedation. Through the combined strengths of the medical device Sedaconda ACD and the pharmaceutical Sedaconda (isoflurane), Sedana Medical provides inhaled sedation for mechanically ventilated patients in intensive care.

Sedana Medical has direct sales in Benelux, France, Germany, Great Britain, the Nordics, and Spain. In other parts of Europe as well as in Asia, Australia, Canada, and South- and Central America, the company works with external distributors.

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

**Attachments**

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**Sedana Medical completes the acquisition of its main supplier**