

An elderly couple is jogging through a forest. The woman on the left is wearing a grey long-sleeved top and a blue headband. The man on the right is wearing a grey and black hoodie and blue pants. They are both smiling and looking towards the right. The background shows tall trees and a bright sun filtering through the leaves, creating a warm, golden light.

PROSTALUND AB

Year-end report January-December 2024

“With several ongoing contract discussions for CoreTherm® Eagle, we are positive about the interest in our treatment and the upcoming international launch”

Lund 20 February, 2025
Anders Kristensson, CEO

Fourth quarter

October 1 - December 31

- Net sales amounted to SEK 3,9 million (6,4)
- Operating result amounted to SEK -6,2 million (-3,5)
- Profit after tax amounted to SEK -6,2 million (-3,5)
- Earnings per share before and after dilution amounted to SEK -2,43 (-1,82)
- Cash flow from operating activities amounted to SEK -6,5 million (-5,6)

January 1 - December 31

- Net sales amounted to SEK 13,7 million (22,1)
- Operating result amounted to SEK -22,5 million (-16,9)
- Profit after tax amounted to SEK -22,6 million (-17,0)
- Earnings per share before and after dilution amounted to SEK -6,94 (-9,94)
- Cash flow from operating activities amounted to SEK -22,6 million (-23,7)
- Cash and cash equivalents amounted to SEK 7,8 million (15,0)

Key figures

(SEK MILLION)	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Net sales	3,9	6,4	13,7	22,1
Gross Margin, (%)	54,9	73,5	64,6	70,1
Operating profit/loss, EBIT	-6,2	-3,5	-22,5	-16,9
Cash flow from operating activities	-6,5	-5,6	-23,0	-23,7
Cash and cash equivalents	7,8	15,0	7,8	15,0
Average number of employees	9	5	8	7

Significant events during the quarter

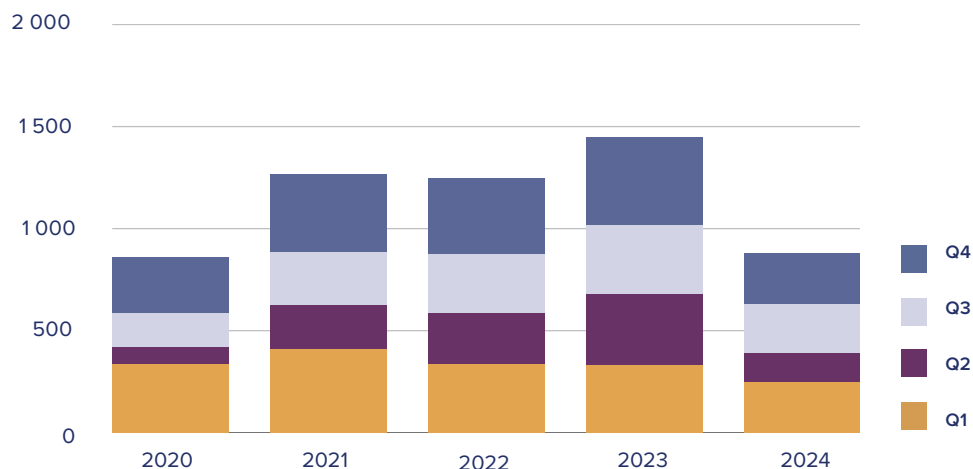
- First published report of transurethral intraprostatic anaesthesia (TUIA) using the Schelin Catheter® in patients undergoing holmium laser enucleation of the prostate.
- Short-term results and long-term durability after CoreTherm® treatments presented at the Emirates International Urological Conference in Dubai, UAE.
- Notice of Extraordinary General Meeting regarding a resolution on reverse share split.
- The first ten CoreTherm® Eagle machines have been manufactured.
- ProstaLund announces outcome of warrants series TO 3, with a subscription rate of 94.4%, the company received approximately SEK 3.7 million before issue costs.
- Further study published confirming the good effect of transurethral intraprostatic anaesthesia (TUIA) via our Schelin Catheter® in the treatment of benign prostatic hyperplasia.
- Nomination Committee appointed in ProstLund AB (publ) for the Annual General Meeting 2025.
- Determination of record date for reverse share split in ProstaLund AB.

Significant events after the quarter

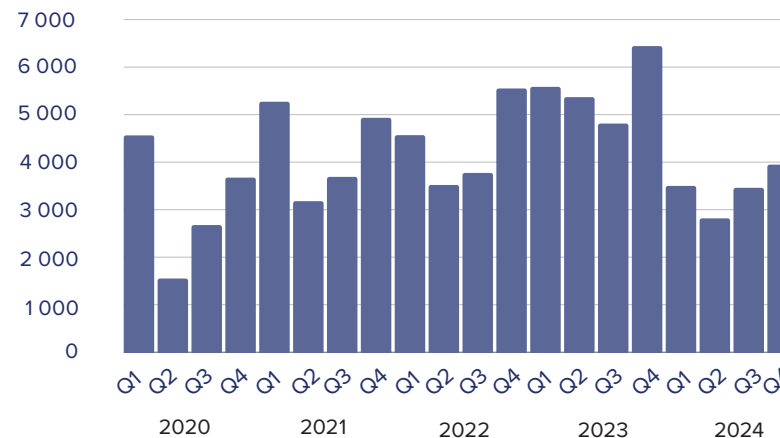
- Older men treated with CoreTherm® for benign prostate enlargement have a lower risk of a prostate cancer diagnosis later in life compared to men treated with TURP according to a new Swedish registry study.
- New study confirms the strong efficacy of CoreTherm® in patients with large prostates.

Overview of the company's development

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



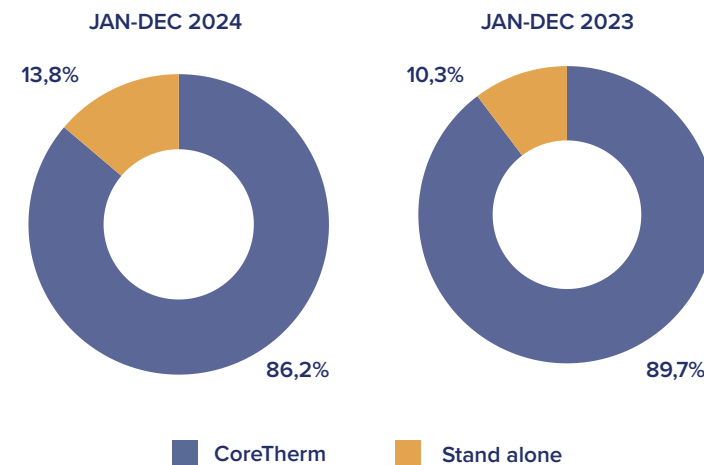
Sales development per quarter, 2020-2024 (SEKt)



Quarterly financial performance

ALL AMOUNTS IN SEK THOUSAND	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	3 948	3 461	2 816	3 500	6 418	4 791	5 335	5 518
Gross profit/loss	2 167	2 177	2 087	2 440	4 718	3 507	3 602	3 762
Gross margin (%)	54,9%	62,9%	74,1%	70%	73,5%	73,5%	67,5%	68,2%
Overhead costs	-8 685	-6 591	-9 242	-7 180	-8 454	-9 570	-7 260	-6 906
Operating profit/loss	-6 153	-4 443	-7 162	-4 732	-3 461	-6 231	-4 022	-3 143
Profit/loss for the period	-6 174	-4 489	-7 209	-4 759	-3 489	-6 270	-4 074	-3 183
Cash flow	-4 299	8 741	-3 564	-8 075	-7 527	-11 516	28 130	-5 930

Sales distributed by category (SEKt)



CEO update

In the last quarter of the year, we saw a positive trend in our sales development and new international contacts were made for the establishment of CoreTherm® Eagle.

When we summarise 2024, it has been a challenging year in many ways. For our main product CoreTherm®, we struggled with inventory build-up and could see the effects of previous lack of customer contact, resulting in reduced demand from our customers and a generally lower patient inflow.

With a new management team in place in the middle of the year, we have together started to create new conditions for the company and we have seen an increased demand again for our thermal treatment from patients and customers in the last quarter of 2024.

This increased demand is partly driven by our investment in advertising, direct mail and digital campaigns in social media via, for example, adverts on Facebook. Many customers contact us directly or via the website and we can refer them to certified clinics in both Sweden and Denmark. Continued focus is on increasing sales volumes with existing customers and opening new markets in connection with the launch of CoreTherm® Eagle.

Interest in our CoreTherm® Concept treatment technology is increasing outside the Nordic region, and from clinics that want to offer our treatment method. Contract discussions regarding our new treatment platform CoreTherm® Eagle are ongoing with distributors and individual clinics outside the Nordic region, which may contribute to positive sales growth.

During the quarter, we participated in the Swedish and Danish national urology congresses with many fruitful discussions in our stands and a well-attended ProstaLund symposium.

In January this year, a new study was published in the Journal of Nephrology, Urology and Andrology showing that older men treated with CoreTherm® Concept for benign prostatic hyperplasia (BPH) have a lower risk of being diagnosed with prostate cancer later in life and a reduced risk of prostate cancer-related death compared to men treated with transurethral resection of the prostate (TURP).

In February, a new study was published in the Scandinavian Journal of Urology showing that more than 80% of patients suffering from urinary retention and requiring either indwelling catheters or self-catheterisation were able to urinate spontaneously at follow-up six months after treatment with CoreTherm® Concept.

Our new treatment platform, CoreTherm® Eagle, has undergone final release testing prior to launch. The work has taken longer than we initially expected due to the need for a few minor adjustments in the software. Our assessment is that we will be able to launch before the end of the second quarter.

Planning is now in full swing for the European Urology Congress (EAU) in Madrid in March, where we will participate as an exhibitor and show CoreTherm® Eagle internationally.

We look forward to an exciting and eventful 2025!



Lund February 20, 2025
Anders Kristensson
CEO

Financial information

Net sales and profit/loss

Net sales amounted to SEK 3,948 (6,418) thousand for the fourth quarter, which was a total decrease of 38,5 percent compared to the corresponding quarter last year. All markets and product categories showed a weaker development in the quarter.

The gross margin weakened during the quarter and amounted to 54,9% (73,5). The margin was negatively affected by an obsolescence write-down of inventory of SEK 485 thousand. Excluding this inventory write-down, the gross margin was 67,2%.

The operating result for the fourth quarter amounted to -6 153 (-3 461) KSEK.

Profit after tax totalled SEK -6,174 (-3,489) thousand.

Net sales for the period January-December amounted to KSEK 13,725 (22,062), a decrease of 38 percent.

The gross margin for the period January-December amounted to 64,6% (70,1). The underlying margin excluding write-down of obsolete inventory amounted to 70,0%.

The operating result for the period January-December amounted to KSEK -22,490 (-16,857).

Profit after tax for the corresponding period totalled KSEK -22 631 (-17 016).

Investments

Investments in property, plant and equipment amounted to SEK 0 (134) thousand for the fourth quarter. Investments in intangible fixed assets totalled SEK 1,133 (1,712) thousand, which mainly relates to the company's new CoreTherm® Eagle platform.

For the period January-December, investments in property,

plant and equipment amounted to SEK 537 (146) thousand. Investments in intangible assets totalled SEK 6,452 (3,200) thousand for the same period.

Financial position and financing

Cash flow from operating activities for the fourth quarter totalled SEK -6,515 (-5,581) thousand.

For the period January-December, cash flow from operating activities totalled SEK -22,591 (-23,718) thousand.

The company raised a bridge loan of SEK 4 million in June, without collateral, from the main owner Mats Alyhr at market interest rates. The bridge loan including interest was repaid in full on 12 July 2024.

A new share issue was carried out during the year which, including the exercise of warrants, provided the company with 27 million in new capital before deduction of issue costs. Transaction costs totalled SEK 4.2 million.

Equity amounted to SEK 55,181 (55,289) thousand and the equity ratio was 89 (84) percent.

Cash and cash equivalents at 31 December 2024 amounted to KSEK 7,822 (15,019).

Organisation

At the end of the period, the company had 9 (8) employees, of whom 6 (6) were women and 3 (2) men. The average number of employees during the period was 8 and the number of consultants was 7.

During the year, the subsidiary Nordisk Medicin& Teknik AB was merged into the parent company ProstaLund AB through a so-called absorption. The merger was approved and implemented on 5 August 2024.

Research and development

Development work is carried out in-house in co-operation with external clinics and technical consultants. Development work is focused on new development and further refinement of the current product portfolio.

Insurance

ProstaLund has customary business insurance that also includes product liability cover.

The insurance cover is subject to ongoing review.

The Board considers that the business insurance is adapted to the current scope of the business.

Disputes

ProstaLund is not a party to any legal dispute or arbitration proceedings. Nor is the Board of Directors aware of any circumstances that could lead to any such legal process being imminent.

Risk factors

ProstaLund's business is affected by a number of risks, the effects of which could have a negative impact on its future, results or financial position.

The latest annual report and prospectus, which are available on the company's website www.prostalund.se, contain a description of the risk factors. Listed below, in no particular order, are the risk factors considered to be of greatest significance:

- Dependence on funding
- Dependence on key personnel
- Regulatory approvals
- Product liability
- Currency risk
- Competition
- Disputes
- Changes in legislation

Prerequisites for continued operation

This financial information has been prepared on a going concern basis. The company has historically recognised losses. In preparing the interim financial statements, management has based its assumptions on existing cash and cash equivalents, increased sales and the potential availability of other financing.

In estimating future expenditures, management has recognised that certain expenditures are within management's control and may be eliminated or deferred. Management and the Board recognise that there are uncertainties in estimating future cash flows and uncertainties in financing operations.

If the Group is unable to continue as a going concern for any reason, it may affect the Group's ability to realise the carrying amounts of its assets, particularly in relation to capitalised development expenditure, and to pay its liabilities at the normal rate and in the amounts disclosed in the Group's interim financial statements.

Transactions with related parties

Contracts with members of the Board of Directors

The Company has entered into consultancy agreements with some of its Directors. The consultancy agreements regulate the Board members' performance of assignments that cannot be regarded as tasks normally incumbent on a Board member. Other members of the Board and the CEO must approve such work before it is carried out.

Royalty agreement

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

Valuation of intangible assets

The capitalised development expenditure recognised is subject to impairment testing by management. The most critical assumption evaluated by management is whether the intangible asset is expected to generate future economic benefits that are at least equal to the carrying amount of the intangible asset. Management's judgement is that the expected future cash flows are sufficient to justify the carrying amount of the intangible asset and therefore no impairment loss has been recognised. However, the valuation is based on and dependent on the conditions for continued operation

Remuneration policy

The guiding principle is that ProstaLund will offer its management and key personnel competitive remuneration based on the market situation, the company's performance and individual performance. The design of the remuneration policy shall ensure that management and key personnel and the shareholders have common goals.

Shares

ProstaLund is listed on Nasdaq First North Growth Market. The company is traded under the ticker PLUN and the ISIN code SE0023468418. Certified Adviser is Västra Hamnen Corporate Finance AB.

The number of shares at the end of the period was 3,624,052 and the quota value was SEK 4.0 per share. All shares are of the same type and have the same voting rights.

During the year, a new share issue was carried out at the same time as a consolidation of the number of shares was made at a ratio of 1:40.

Annual report

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

Annual General Meeting

The Annual General Meeting 2024 was held on May 30th in Lund.

The date set for the 2025 Annual General Meeting is 18 June in Lund.

Financial calendar

- 2025-05-16 Interim report Jan-March 2025
- 2025-08-21 Interim report Apr-Jun 2025
- 2025-11-07 Interim report Jul-Sep 2025
- 2026-02-25 Year-end report 2025

Scope of the report

This interim report covers the period from 1 January 2024 to 31 December 2024. The comparative data in the report refer to the corresponding period in 2023, unless otherwise stated. All information in the report refers only to the parent company ProstaLund AB (publ), i.e. no consolidation of wholly owned subsidiaries takes place as these only account for a small part of the part of the business.

Accounting policies

This report has been prepared in accordance with the Annual Accounts Act and the general advice of the Swedish Accounting Standards Board. The accounting principles and calculation methods applied are consistent with the accounting principles used in the preparation of the latest annual report.

Audit

This report has not been subject to review by the company's auditors.

Assurance of the Board of Directors and Managing Director

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

Lund, February 20 2025

Per Langö
Chairman of the Board

Tomas Eriksson
Board member

Paul de Potocki
Board member

Tom Rönnlund
Board member

Marianne Östlund
Board member

Anders Kristensson
CEO

Shareholder information

For questions about this report, please contact:

Anders Kristensson CEO, ProstaLund AB (publ)

- Phone: 0769-42 12 16
- E-mail: anders.kristensson@prostalund.com

Publication

This information is information that ProstaLund AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 20 February 2025.

ProstaLund is listed on Nasdaq First North Growth Market. The company is traded under short name PLUN and ISIN code SE0023468418.

Certified Advisor is Västra Hamnen Corporate Finance AB.

Income Statement in Summary

ALL AMOUNTS IN SEK THOUSAND	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Operating income				
Net sales	3 948	6 418	13 725	22 062
Cost of goods sold	-1 781	-1 700	-4 854	-6 472
Gross profit	2 167	4 718	8 871	15 590
Sales & Marketing expenses	-4 604	-3 568	-15 528	-17 855
Administrative expenses	-2 494	-3 361	-10 629	-9 316
Research and development costs	-1 587	-1 525	-5 541	-5 019
Other operating income	477	649	876	669
Other operating costs	-112	-374	-539	-926
Operating profit/loss	-6 153	-3 461	-22 490	-16 857
Profit/loss from financial items				
Interest income and similar profit/loss items	5	11	36	14
Interest expenses and similar profit/loss items	-26	-39	-177	-173
Profit/loss after financial items	-6 174	-3 489	-22 631	-17 016
Profit/loss for the period	-6 174	-3 489	-22 631	-17 016

Per share data*

	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Earnings per share, SEK (basic and diluted)	-2,43	-1,82	-6,94	-9,94
Equity per share, SEK	15,23	28,88	15,23	28,88
Equity-asset ratio, %	89%	84%	89%	84%
Number of outstanding shares	3 624 052	1 914 718	3 624 052	1 914 718
Average number of outstanding shares	2 541 010	1 914 718	3 258 651	1 711 165
Share value at the end of the period, SEK	7,54	1,63	7,54	1,63

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

Definitions of financial ratios

Earnings per share

Profit/loss for the period divided by average weighted number of shares.

Equity-asset ratio

Equity divided by total assets.

Equity per share

Equity divided by number of shares at the end of the period.

*Comparative figures related to data per share have been recalculated according to the same principle as if the reverse share split 1:40 had also taken place before December 2024.

Balance Sheet in Summary

ALL AMOUNTS IN SEK THOUSAND	2024-12-31	2023-12-31
ASSETS		
Intangible assets	34 378	28 038
Property, plant & equipment	813	396
Financial assets	0	464
Inventories	14 345	16 955
Trade receivables	2 647	2 159
Other receivables	1 633	2 527
Cash and cash equivalents	7 822	15 019
Total assets	61 638	65 558
EQUITY AND LIABILITIES		
Equity	55 181	55 289
Interest-bearing liabilities, longterm	533	933
Current interest-bearing liabilities	400	400
Liabilities to group companies	122	98
Trade payables	3 373	6 413
Other liabilities	2 029	2 425
Total equity and liabilities	61 638	65 558

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

Summary statement of changes in equity

ALL AMOUNTS IN SEK THOUSAND	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the period	Total equity
Opening balance 2023-01-31	5 719	23 245	17 245	7 331	-12 502	41 684
Profit/loss for the period					-17 016	-17 016
Transfer of equity			-17 832	5 390	12 502	0
New share issues	1 940		32 002			33 942
Costs of new share issues			-3 321			-3 321
Capitalization of development expenditure		2 746		-2 746		0
Closing balance 2023-12-31	7 659	25 991	28 681	9 975	-17 016	55 289
Profit/loss for the period					-22 631	-22 631
Result from merger				-249		-249
Transfer of equity				-17 016	17 016	0
New share issues	6 837		20 115			26 952
Costs of new share issues			-4 180			-4 180
Capitalization of development expenditure		6 262		-6 262		0
Closing balance 2024-12-31	14 496	32 253	44 616	-13 552	-22 631	55 181

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

Cash Flow Analysis in Summary

ALL AMOUNTS IN SEK THOUSAND	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Profit/loss after financial items	-6 174	-3 489	-22 631	-17 016
Adjustments for non-cash items	556	265	962	265
Cash flow from operating activities before changes in working capital	-5 618	-3 224	-21 669	-16 751
Changes in working capital	-897	-2 357	-922	-6 967
Cash flow from operating activities	-6 515	-5 581	-22 591	-23 718
Capitalization of development expenditure	-1 133	-1 712	-6 452	-3 200
Acquisition/disposal of property, plant & equipment	-	-134	-537	-146
Cash flow from investing activities	-1 133	-1 846	-6 989	-3 346
New share issue	3 976	-	26 952	33 942
Transaction costs attributable to new share issue	-527	-	-4 180	-3 321
Change in bank overdraft facilities	-	-	4 030	1 000
Change in bank overdraft facilities	-100	-100	-4 430	-1 400
Cash flow from financing activities	3 349	-100	22 372	30 221
Total cash flow for the period	-4 299	-7 527	-7 208	3 157
Infusion of cash			11	
Cash and cash equivalents at start of period	12 121	22 546	15 019	11 862
Cash and cash equivalents at end of period	7 822	15 019	7 822	15 019

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

Business overview

The Company in brief

ProstaLund AB is a Swedish company with headquarters in Lund. The company's organisation number is 556745-3245. ProstaLund is a Swedish public limited company registered with the Swedish Companies Registration Office on 4 December 2007. The Board of Directors has its registered office in the municipality of Lund and operations are based in Sweden. The company's office address is Scheelevägen 19 in Lund with telephone number 046-12 09 08. The company's website is www.prostalund.se. The company is a CSD company and its share register is maintained by Euroclear Sweden AB. In addition to ProstaLund, which is the parent company, the Group includes the wholly owned subsidiary CoreTherm Medical Inc ('CMI').

Introduction to the Company's operations

The Company develops, markets and sells urological products. The majority of sales are through recurring sales of disposable catheters, antennas and other accessories used together with the Company's platform in the treatment of BPH.

The Company has a treatment concept (CoreTherm® Concept) for personalised heat treatment for the condition benign prostatic hyperplasia, also known as BPH or BPE, which mainly affects men over the age of 50.

In recent years, the company has developed a new platform, CoreTherm® Eagle, which received market authorisation through a CE mark from outside the EU:

The platform now includes an inbuilt computer, real-time temperature reading, patient data storage and inbuilt recommendations for treating physicians. The company believes that CoreTherm® Concept is one of the best treatments for BPH on the market in terms of parameters such as treatment outcome, ability to treat regardless of prostate size, re-treatment frequency, treatment time,

fewer complications compared to surgery, learning time for treating physicians and cost of treatment. CoreTherm® Concept consists of several patented and unique inventions where the machine's treatment control is based on 25 years of research and clinical experience.

In addition, the Company has two stand-alone products, Schelin Catheter® and CoreFlow® Soft Stent. It is the Company's view that the products are unique as there are no similar products on the market due to the fact that the Company holds patents for both products in the markets in which the Company operates.

The Company's product offering is the CoreTherm® Concept, which consists of an anaesthetic catheter (Schelin Catheter®), treatment catheter (CoreTherm® Catheter) and aftercare catheter (CoreFlow® Soft Stent).

The Schelin Catheter® and CoreFlow® Soft Stent are also sold for use in other treatment modalities outside the CoreTherm® Concept.



CoreTherm® Eagle



CoreTherm® Catheter

CoreTherm® Concept – Treatment concept

CoreTherm® Concept is a patented and personalised treatment concept for BPH/BPE using heat. CoreTherm® Concept is currently used mainly in public hospitals and private clinics in the Nordic countries. The treatment is evidence-based and has the same end result as surgery¹. The concept has a number of advantages:

- The size of the prostate does not limit the method
- The treatment is done under local anaesthesia, compared to general anaesthesia in surgery
- Maximum treatment time is 15 minutes

During a CoreTherm® Concept treatment, the temperature is measured in real time. The treatment effect can thus be calculated continuously and the temperature monitoring allows the doctor or nurse in charge to control the treatment. The treatment takes a maximum of 15 minutes and the entire visit to the clinic takes about 1 hour.

Schelin Catheter® - Injection tool

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

The product can also be used in other contexts, such as for local anaesthesia and other treatment procedures for prostate disorders, where drugs need to be administered into the prostate sterile.

CoreFlow® Soft Stent – Aftercare product

CoreFlow® Soft Stent is a patented and unique product. The product is a hybrid between a catheter and a stent. The product has many applications:

- The product can be used as a disposable product after BPH treatment regardless of the treatment method.
- The product can also be used as a diagnostic tool and simulate the treatment outcome of an invasive anti-obstruction procedure, microwave therapy (TUMT) or transurethral resection (TURP).
- The product is also an alternative to indwelling catheters (KAD) in case of urinary retention, enabling self-drainage and reducing the risk of urinary tract infection.

CoreFlow® Soft Stent can partially replace urodynamic tests, and can be used where these tests are not applicable.

This product is also used outside the CoreTherm® Concept treatment and is sold as a stand-alone product internationally together with the Schelin Catheter®.



Schelin Catheter®



CoreFlow® Soft Stent

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



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

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