PAXMAN

Q2 *Interim Report*

April - June 2025

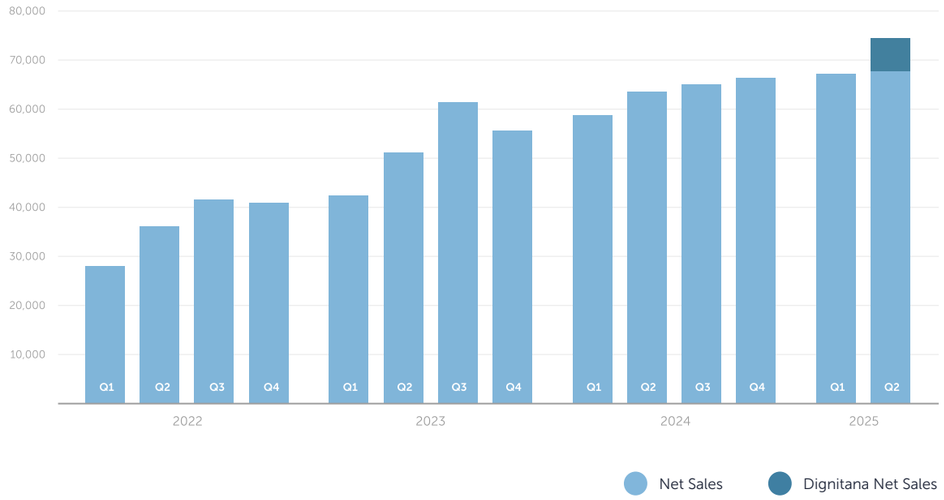
Stronger Together: A New Era of Unity

- The Group's sales amounted to 74.9 (63.4) MSEK for the second quarter of the year.
- The Group's net result totalled -3.3 (9.8) MSEK for the period April-June.
- The result is affected by costs arising from the Dignitana merger restructuring by 4.4 MSEK.
- Within the net financial items for the period is a currency loss of 3.6 MSEK compared to a loss of 464 TSEK in Q2 2024. This loss primarily occurs as a result of retranslation of historic intercompany balances due to movements between the GBP, USD and SEK
- EBITDA amounted to 5.0 (14.8) MSEK for the quarter.
- Earnings per share were -0.14 (0.52) SEK for the period.
- Net cash outflow for the quarter -3.2 (3.9) MSEK
- Cash flow from operating activities amounted to 369 TSEK (12.2 MSEK) for the quarter.
- Cash on hand totalled 149.3 MSEK at the end of the period
- A total number of 329 (313) scalp cooling systems were installed around the world in the first six months of the year, with the order book containing an additional 124 (130) systems.
- Average Daily Treatment Revenue (ADTR) amounted to 59 TUSD (570 TSEK) for Q2 2025, corresponding to an increase of 43.2% compared to 41.2 TUSD (440.2 TSEK) for Q2 2024. Excluding the acquisition of Dignitana, the increase is 20.6%. The figures in SEK have been converted from USD according to the actual exchange rate during each period.
- Recurring income increased from 33.4 MSEK in Q2 2024 to 40.5 MSEK for the same period in 2025 of which 6.4 MSEK is attributable to the acquisition of Dignitana.

Dignitana has been part of the group since June 1

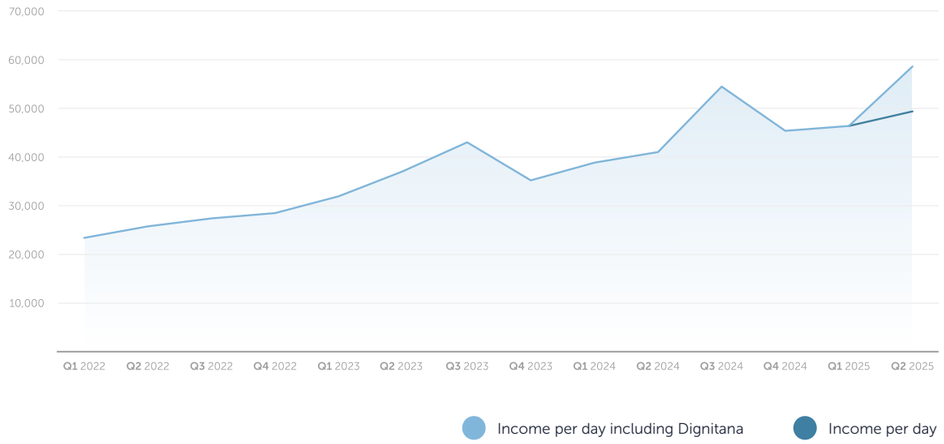
Net Sales

TSEK



ADTR

USD



During

In April, Paxman released further details on its relocation plans to the public, moving from its current location in Fenay Bridge to a new state-of-the-art headquarters and manufacturing hub in the heart of Huddersfield, part of England's third HealthTech and Digital Investment Zone. This new development, sitting alongside the University of Huddersfield's National Health Innovation Campus, will rejuvenate the JL Brierly Turnbridge Mills site whilst conserving the heritage of the site and minimising the environmental impact. Investment into the new facility will support the growth of the organisation, support the commercialisation of Paxman's CIPN device through improved and increased manufacturing capability and bring wider benefits to the local economy. Relocation is anticipated towards the end of 2026.

On 8 May 2025, Paxman completed its public offer to Dignitana shareholders and extended the acceptance period. As all conditions for completion of the offer were fulfilled, Paxman's board of directors resolved to declare the offer unconditional and proceeded with its completion.

Based on the authorisation granted by the extraordinary general meeting held on 8 April 2025, at which the meeting resolved to authorise the board of directors to, on one or more occasions until the next annual general meeting, resolve on a directed share issue of up to 2,476,207 shares, with the possibility of payment in kind within the framework of the public takeover offer to the shareholders of Dignitana AB, a total of 2,360,916 new shares in Paxman were issued as consideration to shareholders in Dignitana. As a result, the total number of shares in Paxman increased from 20,912,500 to 23,273,416. The share capital increased by a total of SEK 2,360,916, from SEK 20,912,500 to SEK 23,273,416. The completion of the Offer resulted in a dilution effect of approximately 10.1 percent based on the total number of shares and votes in Paxman following the Offer. Paxman also announced on 2 June that it will initiate compulsory acquisition proceedings in accordance with the procedure set out in Chapter 22 of the Swedish Companies Act (2005:551) in order to acquire all remaining shares in Dignitana.

On 16th May, Paxman held its 2025 Annual General Meeting at NetPort in Karlshamn. Almost 51.7 % of all issued shares were represented at the meeting. After the formal AGM, CEO Richard Paxman gave a company presentation and responded to questions from the attending shareholders.

In June, Carnegie initiated their coverage of Paxman through a commissioned research piece, with a fair value range of SEK80-115 per share.

After

In July, Paxman announced the U.S. Centres for Medicare & Medicaid (CMS) has published its Medicare Physician Fee Schedule (MPFS) Proposed Rule for Calendar Year (CY) 2026, which assigns reimbursement rates for the three new Category I Current Procedural Terminology (CPT®) codes for mechanical scalp cooling. It assigned Medicare Physician Fee Schedule CY 2026 Rates of $1,701 per patient, per treatment cycle for initial cap fitting and patient education (CPT I placeholder code 9XX01), $10 per treatment for the pre-cooling period (CPT I placeholder code 9XX02) and $6 per unit, per treatment for post-infusion cooling, per each 30-minute period (CPT I placeholder code 9XX03). A typical MPFS rate for 6 scalp cooling treatments totals $1,905 per patient.

Also in July, Paxman announced the U.S. Centers for Medicare & Medicaid Services (CMS) has published its Medicare Outpatient Prospective Payment System (OPPS) Proposed Rule for Calendar Year (CY) 2026. Specifically, they proposed to bundle payment rates into 9XX01, assigning APC 1517 with a $1,550.50 payment rate for CY 2026. A typical OPPS rate for 6 scalp cooling treatments would total $1,550.50 per patient.

While it is disappointing that CMS has decided to bundle the payment rate into placeholder code 9XX01, Paxman is actively engaging in efforts ahead of the final rule in November, with the hope that CMS will reconsider and adjust its decision. Paxman remains committed to supporting both its customers and patients to help ensure that the proposed rates do not negatively impact patient access or fair reimbursement for clinicians.

SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

COMMENT FROM OUR CEO

Dear Shareholders, I hope many of you are enjoying the summer months with an opportunity to recharge. Here at Paxman, we continue to go from strength to strength.

We officially welcomed our new colleagues at Dignitana to the team, as of June, and as such, it will also be the first month that we begin to include Dignitana in our group reporting. We have therefore tried to be as transparent as possible with our stakeholders to provide clarity on the underlying performance of both entities. Our goal is to achieve our post-merger integration principles by the end of the year, ensuring we can demonstrate improved profitability of the group.

The new group achieved net revenues for the quarter of 74.9 MSEK, compared to 63.4 MSEK for the same period in 2024, a growth of 17% and highest level of sales to date. This is made up of organic growth of 4.4 MSEK and acquired revenues of 6.9 MSEK.

Taking a deeper dive, it helps to look at both the US and UK Paxman entities while excluding Dignitana. This allows us to understand sales without the influence of foreign exchange and the Dignitana acquisition. On the surface, sales appeared weaker than expected for the quarter, however, this is not accurate. The UK entity achieved strong sales of £3.6 million GBP, a 9% improvement from the same period last year and an increase of £180k in rest of world sales from Q1 2025. The US entity delivered an increase of 21% on the prior year's quarter, achieving $3.4 million USD, and an increase of $300k from Q1 2025. Taking a specific look at our Insurance-Based Billing Model, sales for the quarter were $1.16m, compared to £823k at the same period 12 months ago and $1.03m for Q1 2025. To put this more simply in terms of caps sold, in Q2 2024, we sold 474 caps via Insurance-Based Billing, whereas in Q2 2025 we sold 687 caps. This compares to 583 caps in Q1 2025.

As the acquisition formalised in June we were only able to include June figures in our group reporting. Taking a look at how Dignitana performed during the period as an entity for Q2 2025, we achieved sales of 21 MSEK compared to sales of 22 MSEK for Q1 2025. It is important again to note that forex has had a negative effect here, as US income was actually up by $125,000 from Q1 and other income was comparable. We are pleased with the momentum in the USA. Following Q4 2025 reporting it is not our intention to report separate entity revenue streams as the business evolves and becomes more integrated.

Average Daily Treatment Revenue (ADTR) for the group amounted to 570 TSEK for Q2 2025, a 29% increase on 2024 and recurring revenue streams generating 40.5 MSEK. Taking a look at Paxman alone ADTR amounted to 480 TSEK for Q2 2025, a 9% increase on 2024 and recurring revenue streams generating 34.1 MSEK.

The company delivered an EBITDA of 5.0 MSEK – a margin of 7% - leading to an operating profit of 579 TSEK for the quarter. Our EBITDA and operating profit have been affected by costs associated with both the acquisition and restructure, and the commercialisation of our CIPN device. Total costs associated with this equate to 5.4 MSEK.

A forex loss of 3.6 MSEK, due to continued volatility, affected our overall net profit, leading to a loss of 3.3 MSEK. This again relates to intercompany balances.

Cashflow, of course, has been affected by the acquisition and restructuring, leading to a small but positive operating cashflow of 361 TSEK. We made investments of 4.7 MSEK for the period, of which 1.7 MSEK related to CIPN and the remainder to scalp cooling installs in the USA amongst other typical capital investments. The overall cash outflow equated to -3.2 MSEK. Cash and cash equivalents were 149 MSEK at the end of the period, a strong position to move forward with our CIPN commercialisation and completion of the restructure.

Earlier in the year we raised in excess of 120 MSEK with a clear intention to invest in key areas to capitalise on growth opportunities and further strengthen our market position. Key areas included commercialisation of our latest innovation, a device used to prevent chemotherapy-induced peripheral neuropathy; investment into Paxman's new state-of-the-art facility which will be capable of supporting the growth of the organisation, through improved workflows and additional assembly lines in 2026 and 2027; and further investments into research and development, specifically topical interventions to support improved efficacy of scalp cooling with new and novel therapies. To date, of the proceeds raised we have invested 3.8 MSEK, of which 1 MSEK affects our profit and loss.

It is the start of a new era for both Paxman and Dignitana and I am confident we have an exciting and bright future as a new group. I want to thank all of the team at Dignitana for your warm welcome, openness, and willingness to support over the last couple of months. These past weeks have brought about uncertainty and inevitable change, but all of the team have embraced this with positivity. Some difficult decisions have had to be made. Rationalisation has been undertaken. This includes new supplier agreements regarding the manufacture and supply of equipment, removal of the Dignitana board and executive management, removal of the regulatory and operational functions, along with US business development and marketing function. This will lead to profitability and cash flow positivity.

We have had the opportunity to spend time with all functions at the Dignitana offices, both in Dallas and Lund. These include finance, regulatory, operations, sales and marketing and training and we now have plans to support integration. The goal is that by the end of the year, integration will be complete and all post-merger integration principles will have been met. It is important to understand that the two entities shall still exist and operate separately, to a degree, with some centralised functions and support. The Purchase Price Allocation remains preliminary as we continue to assess the acquired intangible assets and determine their valuation. No amortisation has been recorded for the period.

We have and will experience costs related to the merger affecting our performance today however as we look to the future with the decisions already undertaken to reduce operating costs going forward along with increased revenues we are very confident of increased profitability following our post-merger integration plans. Merging the best parts of the companies not only provides commercial benefits but also customer and patient benefits that lead to increased shareholder value.

The month of July was another clear moment in history for Paxman. We have worked tirelessly on coding over previous years, leading to the publishing of CPT I codes for scalp cooling in 2024. In July, we announced that the U.S. Centers for Medicare & Medicaid Services (CMS) published its Medicare Physician Fee Schedule (MPFS) Proposed Rule and its Medicare Outpatient Prospective Payment System (OPPS) Proposed Rule, both for Calendar Year (CY) 2026, which assign reimbursement rates for the three new Category I Current Procedural Terminology (CPT®) codes for mechanical scalp cooling. Although we still strongly believe this is a positive movement in the right direction, more work must be done here. Meetings have already been held with both of the above groups to educate and support the comment period and what we hope will lead to improved payment rates.

Work has already begun with our advocates around the US in supporting the comment period to ensure we provide a strong and clear message about the value of scalp cooling and its importance. We have been here before, and I am confident we can make incremental change. We have a strong base and a positive outlook.

Many of you were hopeful for further published data with regards to our work in the field of chemotherapy-induced peripheral neuropathy. However, we have structured our plans to ensure all stakeholders receive the most relevant and current data at the most appropriate time. Nevertheless, as you will see later in the report, we did share some recent data in Seattle at MASCC. Dr Joline Lim, the Principal Investigator, shared a short update presenting strong follow-on data that now includes 68 patients. Please take a look at page 35 to learn more. The strength of this data provides us with great confidence as we move closer to commercialisation.

Unfortunately, we had a recent set back with the FDA in regards to our Breakthrough Devices program, as we did not meet all of the requirements. Based on supportive feedback from the FDA, we are preparing for a submission to the Safer Technologies Program for Medical Devices (SteP) which has similar benefits, but is more appropriate for our indication. This provides us less reimbursement support early on in the USA, however work has already been undertaken to navigate the landscape and establishing a clear pathway for success. Devices have now been built for the purposes of 60601 safety testing which will commence shortly. Biocompatibility testing is also well underway, ensuring regulatory submissions will be made in Q3 as planned. In addition, devices are now heading to Dana-Farber Cancer Center to begin an additional Phase III clinical trial with recruitment starting soon. Preparation is progressing well for a product launch in 2026.

In July, I hope many of you saw the recent publication in the peer-reviewed journal Frontiers in Pharmacology. This paper highlights the work we have been doing with both the University of Huddersfield and more recently Sheffield Hallam University on our topical formulation development. As published, this research demonstrates that our findings could be a powerful new way to revolutionise and standardise efficacy of scalp cooling, potentially transforming it into a more consistent and universally reliable method of preventing chemotherapy-induced hair loss. Our work with formulation development is gaining traction and we look forward to sharing more in the coming months.

Although our results have been affected by additional restructuring costs, commercialisation investments and continued forex pressures, I am positive about our achievements and the work we are doing at Paxman. 2025 is a year of strategic importance as we prepare for an exciting 2026. Thank you to all our stakeholders, and most importantly, our people at Paxman and Dignitana for their continued dedication to making Paxman a world leader in side effect management.

Huddersfield, August 2025,
Richard Paxman OBE, CEO
Paxman AB (publ)

Paxman AB: Merging with Dignitana

A New Unified Group

In a landmark moment for the medical device sector, Paxman and Dignitana – once competitors – merged in June 2025 to create a new, unified group called Paxman AB.

With common values, a shared mission to prevent chemotherapy hair loss and operations for this mission in place, a merger between the two companies was a logical option and an exciting step forward for the business.

Paxman's acquisition of Dignitana - its only real competitor in the scalp cooling space - not only consolidates the market but also cements Paxman's leadership position. The deal adds over 270 locations in the U.S., giving Paxman a significant boost in installed bases that would have taken several years to achieve organically. Moreover, these systems are located in the important states of Florida and California. As insurance coverage expands in 2026, so does the potential for higher system utilisation, which remains the single biggest driver for both revenue and margin growth. Merging in name also meant merging assets; resources, geographical spread and connections, with fresh perspectives and strengths as two teams became one.

Overall, it means Paxman can treat more patients across the world, moving closer to achieving its vision.

> *"Paxman can treat more patients across the world, moving closer to achieving its vision.*

Introduction to Dignitana

Dignitana's beginnings started with an oncology nurse called Yvonne Olofsson, who invented the Dignicap Scalp Cooling device in 1999. Two years later in 2001, the Dignicap C2 model was launched in Sweden. Since then, the Dignicap device has spread to Europe, Australia and Latin America.
USA FDA clearance was achieved in 2015 for female breast cancer patients, with an expansion in 2017 for men and women with all solid cancer tumours. In 2024, market approval was also achieved in Japan.

Dignitana had two business models each with an ongoing revenue stream from the sale of consumables and treatments.

Similarly to Paxman, devices outside the U.S. were sold to medical facilities and the company also received revenue from service and maintenance agreements.

Financial Highlights from CY 2024

The following highlights are quoted from Dignitana's year-end report, Q4 2024.

- Net Sales amounted to 89.8 MSEK (86.1), an increase of 4 percent over 2023.
- Operating Result amounted to -18.3 MSEK (-15.0).
- Net Result after financial items amounted to –19.1 MSEK (-17.2).
- EBITDA for full year 2024 is negative at -4.9 MSEK (0.1), with positive EBITDA closing the year in both Q3 and Q4.
- Earnings per share were -0.25 SEK (-0.25).
- Average Daily Treatment Revenue (ADTR) was 240 TSEK (239) in 2024.

Dignitana achieved sales of 21 MSEK in Q2 2025 compared to 22 MSEK in Q2 2024. Sales were negatively affected by foreign exchange movements.

The Integration Process

The merger brings clear benefits in terms of economies of scale, cost savings, and operational synergies. By integrating Dignitana into Paxman's existing structure, resources can be aligned, overlapping functions eliminated, and joint processes streamlined. This will result in lower unit costs across manufacturing, logistics, and administration. The merger also enables consolidated procurement, strengthening bargaining power with suppliers. Furthermore, sales and marketing efforts are expected to gain greater impact through a unified strategy and an expanded customer base. In the longer term, this creates opportunities for faster international expansion, enhanced innovation through shared R&D resources, and improved profitability and cash flow. Overall, the merger creates a more competitive and financially robust group with strong potential for sustainable growth.

Work is well underway to achieve these benefits with a goal of achieving the post-merger integration principles by the end of 2025.

Rationalisation has been undertaken to achieve the full benefits that drive profitability and cash flow positivity for the companies. This includes new supplier agreements regarding the manufacture and supply of equipment, removal of the Dignitana board and executive management, removal of the regulatory and operations functions along with US business development and marketing functions. Moving forward, the Dignitana brand will also transition and, until the existing devices reach their end of life, the brandmark will be supplemented with appropriate wording: 'Supported by Paxman'.

Teams from both Paxman and Dignitana are now closely working together over the next few months to determine optimal workflows with more specialised role classifications. Certain roles have been reallocated as the Dignitana team merges with Paxman, who have begun attending company-wide town hall meetings in the run-up to full integration. Commercial and training teams are scheduled to participate in knowledge sharing, enabling greater customer service levels. Eventually, both teams will receive training on Paxman's upcoming CIPN prevention device.

Paxman expects the Dignitana team to be fully integrated into the business by the end of 2025. Merging the best parts of the companies not only provides commercial benefits but also customer and patient benefits that lead to increased shareholder value.

> *"The merger brings clear benefits in terms of economies of scale, cost savings, and operational synergies.*

RECURRING REVENUE STREAMS

In Q2 2025, recurring revenue streams reached 40.5 MSEK, an increase of 21% from Q2 2024. 6.4 MSEK of this recurring income was via Dignitana in the month of June. Recurring revenues were impacted by foreign exchange in the period.

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

US

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

Canada

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

Mexico

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

Japan

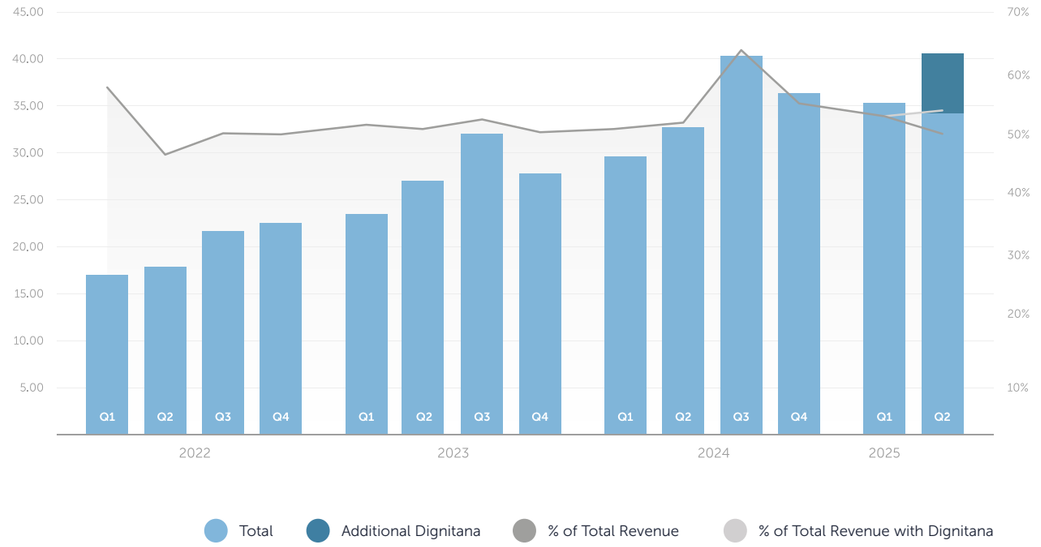
In Japan Paxman sells equipment to distributor CMI and a payment is made to Paxman by CMI for each single patient use cooling cap sold. The market therefore generates a combination of capital and consumable income generating recurring revenue. Dignitana systems are also active in this market, with recurring revenue from the sale of consumable caps.

Europe

In several European countries, there are a growing number of cancer centres that have opted to rent a Paxman device, which therefore generates recurring revenue, in addition to the systems sold as capital. Dignitana systems are also active in this market, with recurring revenue from the sale of consumable caps.

Recurring Revenue

MSEK



"Developing recurring revenue streams continues to be a key focus for the business."

Switching to the Insurance-Based Billing Model

Scalp cooling has become a signifier of high-quality cancer care and demand for supportive, holistic approaches – ones that treat the individual rather than just the cancer - are growing significantly.

Paxman recognises that despite growing demand for scalp cooling in the US, there is an ongoing disparity in access to this essential treatment. Historically, self-pay was the only option, making it financially inaccessible for many. However, reimbursement is now becoming a reality, improving access. After years of advocacy, 2024 marked a turning point for reimbursement. Key milestones included permanent CPT I coding and a New York legislative bill mandating payer coverage, commencing January 1st, 2026.

With these achievements, Paxman now focuses on transitioning US facilities to its Insurance-Based Billing Model (IBBM) throughout 2025 to further expand access. A marketing campaign is in development for the latter half of 2025 and early 2026, encouraging self-pay sites to make 'The Simple Switch'.

A Recent History of the Reimbursement Landscape

CPT I Codes Issued, effective 1 January 2026

2024 was the start of a chain reaction of breakthroughs for access to scalp cooling. In the Summary of Panel Actions of October 18, 2024, the American Medical Association (AMA) announced it had issued 3 CPT® Category I codes for mechanical scalp cooling. The current CPT III codes are temporary and do not have an associated Relative Value Unit (RVU).

Published on the AMA website, September 2024: CPT® Editorial Summary of Panel Actions | AMA (ama-assn.org), these new codes will be effective on January 1, 2026, and descriptors will be included in the CPT® 2026 code set.

AMA will recommend three separate and distinct codes for scalp cooling, ensuring that no code is bundled with the administration of chemotherapy, unlike previously with the CPT® III code 0663T.

Importantly, this recognises three distinct aspects of work done by clinical staff to administer scalp cooling treatment and allows for all three components to receive coverage and establish payment by public and private payers.

As of July 2025, the CPT I codes have the following placeholders and descriptors:

9XX01 - Initial cap fitting and patient education (per patient, per treatment)

9XX02 – Pre-infusion cooling period (per treatment)

9XX03 – Post-infusion cooling period (per each 30-minute period, per treatment)

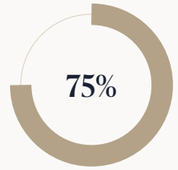
The issuance of a permanent CPT® I code demonstrates that the AMA recognises mechanical scalp cooling as a service performed frequently across the United States by physicians and other qualified healthcare personnel, consistent with current medical practice and is clinically efficacious. Self-administered scalp cooling devices are not covered by these codes.

The issuance of a CPT® I code also sends a strong message to payers, both commercial and Medicare and Medicaid, that there is now a pathway for consistent and predictable reimbursement and payment for scalp cooling for both providers in the community and academic settings.

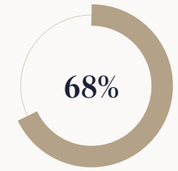
Legislative bills gain momentum

Furthering the adoption of reimbursement for scalp cooling, a legislative bill (A38-A/S2063-A) in the State of New York was signed into law on 13th December 2024, requiring insurance coverage of scalp cooling systems to prevent hair loss. A huge milestone for coverage, the bill is an acknowledgement of the importance of scalp cooling to help reduce and manage chemotherapy-induced alopecia and will highlight and narrow the disparities in access to a treatment.

Since the signing of the bill, numerous states have followed suit with Maryland, West Virigina, Rhode Island, New Jersey, and Massachusetts currently under review and verdict outstanding. Louisiana passed their bill in June 2025.



75% of patients received positive coverage



68% of patients without coverage were supported by the Patient Assistance Programme

Commitment to The Simple Switch

The acknowledgement of the value of scalp cooling from guideline organisations such as NCCN® and the integration of scalp cooling into legislation represents the importance of the treatment and the impact it can have on a patient's experience of cancer treatment. Countless clinical studies reflect the trauma of chemotherapy hair loss and the option to limit and manage that process can be invaluable to patients.

Paxman's commitment to an insurance-based business model stems from the recognition that no patient should have to face hair loss if they don't want to. The desire to convert existing sites to the new model by the end of 2025, ready for CPT I coding to take effect on January 1st, 2026, will ensure that chemotherapy-induced alopecia does not have to inevitable for any patient in the United States.

With Maryland, Massachusetts, New Jersey, Rhode Island and West Virginia now proposing and debating legislative bills like those in Louisiana and New York, it is a promising indication that other states will follow suit across the country, opening up even more coverage.

Our work with Medicare Administrative Contractors continues in order to support further coverage across the USA. The recent CGS Medicare Administrative Contractor (MAC) bulletin, published on 20th March 2025, reaffirmed the guidance and instructions on billing and coding for scalp cooling services under the current CPT III coding, another positive step.

The company will also be continuing work with longstanding Paxman users across US healthcare systems, preparing existing facilities for the influx of reimbursement requests, transitioning and expediting them to the Insurance-Based Billing Model (IBBM).

This will enable them to remove the barrier of financial toxicity and widen patient access to this important means of side effect management for their patient community.

Investment will continue throughout 2025 on the three key pillars of insurance: coding, coverage and payment.

The company's key focus will be on the following:

Communicating the announcement of the CPT I codes to all stakeholders and educating them on what this means to prepare them for the switch. This now includes Dignitana customers who will also be affected by CPT I codes and changing state legislation.

Working closely with Centers for Medicare and Medicaid Services (CMS) and both local MACs and commercial payers on coverage policy.

Working with CMS on payment of the three codes, which represent the three distinct aspects of work performed by clinical staff to administer scalp cooling treatment.

Extensive work in the background is already underway on a communications campaign strategy for the next 6 months, which comprises comprehensive marketing materials, an IBBM website, advertising campaign, helpful guides, facilitation of peer-to-peer discussion, and data and anecdotal evidence of implementation strategies.

Since the MPFS and OPPS proposed rates for CPT I codes in July, Paxman has already begun work on collecting evidence and supporting arguments to challenge the decision before the final rule in November. These efforts hope to increase the level of reimbursement for the benefit of scalp cooling patients across the US.

A momentum has now been established that will ensure 2025 and 2026 will be even more successful. We are determined that more patients than ever before will be able to access scalp cooling, an essential side effect management tool that is of growing importance in the oncology space.

> *"We are determined that more patients than ever before will be able to access scalp cooling.*

Paxman Hub Services

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

These enhanced services include; benefits investigation to determine patient insurance coverage and level; prior authorisation assistance to support use of Paxman Scalp Cooling; help with the appeals process to support Paxman use when coverage is denied by insurance company; a generous Paxman Patient Assistance Program (PAP) for free goods to qualifying patients.

> *No one should have to choose between preserving their dignity and affording treatment.*
>
> *Kimberly James LaBrier*

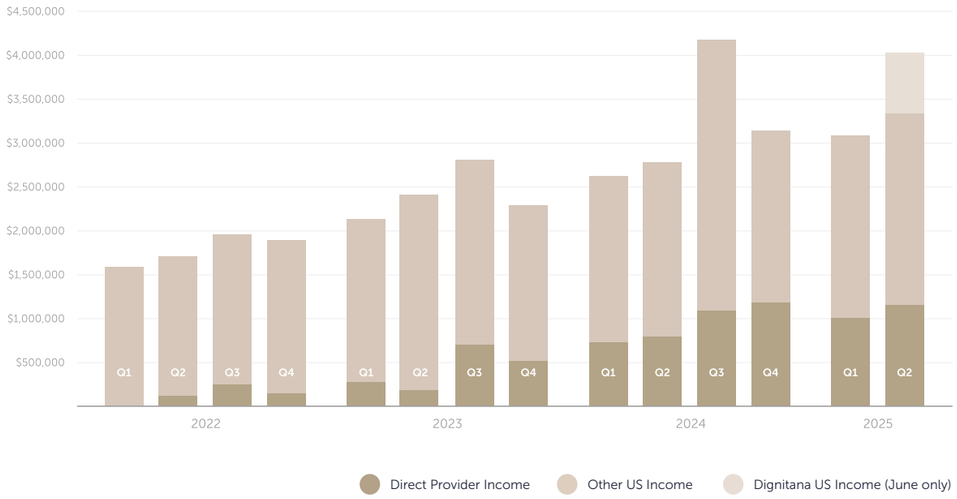
The model process is as follows:

1. Providers and health systems contract with Paxman to install systems (if not already installed).
2. Paxman sells Cap Kits in all sizes through McKesson Plasma Biologics, McKesson Specialty Distribution or OnMark/Unity, McKesson's Group Purchasing Organisation.
3. McKesson sells the cooling Cap Kits to providers and health systems, who maintain an inventory of each size of the Kits.
4. McKesson distributes orders to providers and health systems. When a provider prescribes the Cap to the patient, the patient is enrolled in the Paxman Hub Scalp Cooling Program.
5. Either the Paxman Hub or the provider will carry out a benefits investigation to determine if the patient's insurance will cover scalp cooling.
6. The patient is measured, the Cap is calibrated, and then the patient is given the Cap Kit which they will bring to each treatment. At this point the provider will bill the payer using code 0662T. In connection with all treatments, the provider bills 0663T, which is for the cooling treatment itself.
7. Under the insurance-based billing model only, the Paxman Patient Assistance Program (PAP) provides free goods to allow access to treatment for those who are under or uninsured.

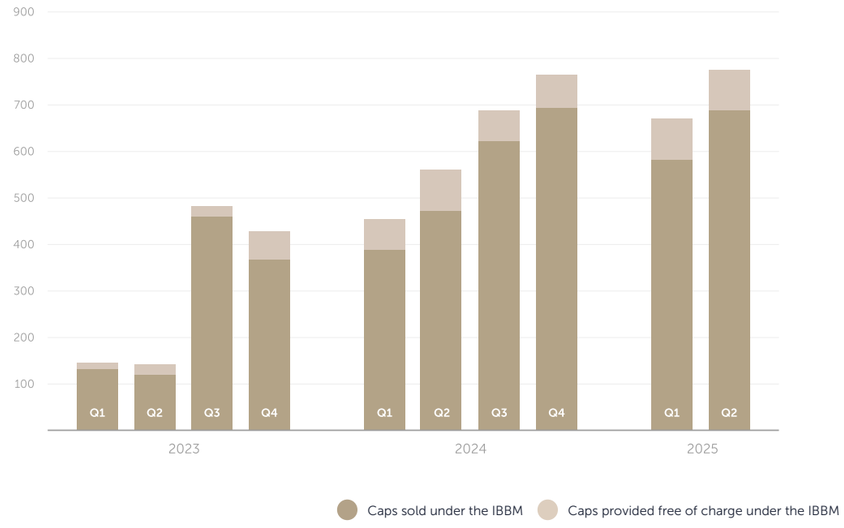
By switching to Paxman's IBBM, healthcare facilities across the US can expect:

- Fair and reimbursable workflows
- Billing for clinician time using scalp cooling CPT codes
- Removal of awkward financial conversations with patients
- Increase in patient access within their healthcare system
- A quicker, more reliable process
- Opportunity to demonstrate leadership in accessible cancer care
- To remain ahead of changing legislation, patient demands, and decision-making

Direct Provider Income



Caps provided through Insurance-based Billing Model



Please note Paxman are not responsible for all Benefits Investigations for all of it's new business model customers. However the above direct provider income captures all new business model customers. Only providers using the full hub services are included in this data set - June 22 to Jan 25.

Installed systems
January - June 2025

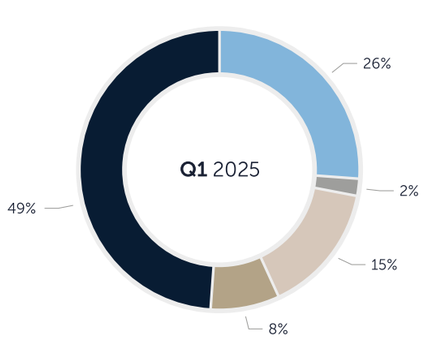
The systems are installed on-site following a signed delivery and rental agreement (in the USA, Canada and Mexico) or after being sold to the customer (rest of the world).

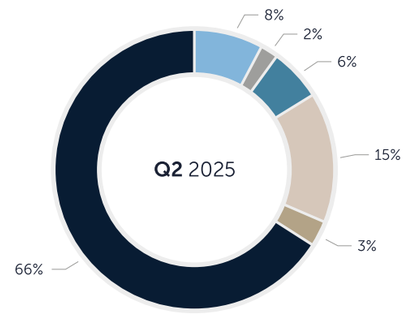
	Q1 2025	Q2 2025	Total
UK	45	25	70
South America	7	8	15
Oceania	-	30	30
Europe	49	65	114
Asia	18	20	38
North America	31	31	62

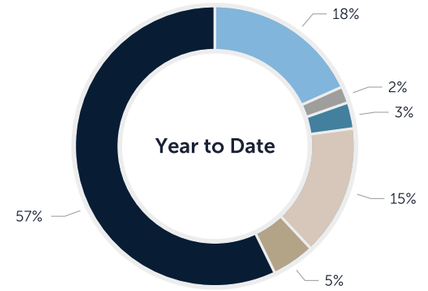
329

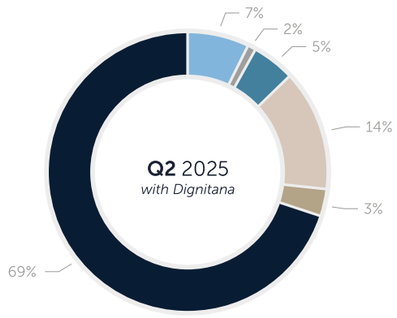
Paxman systems installed

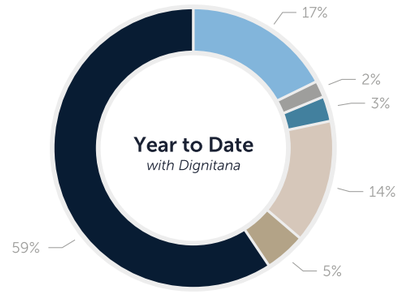
Revenue by Geographical Area





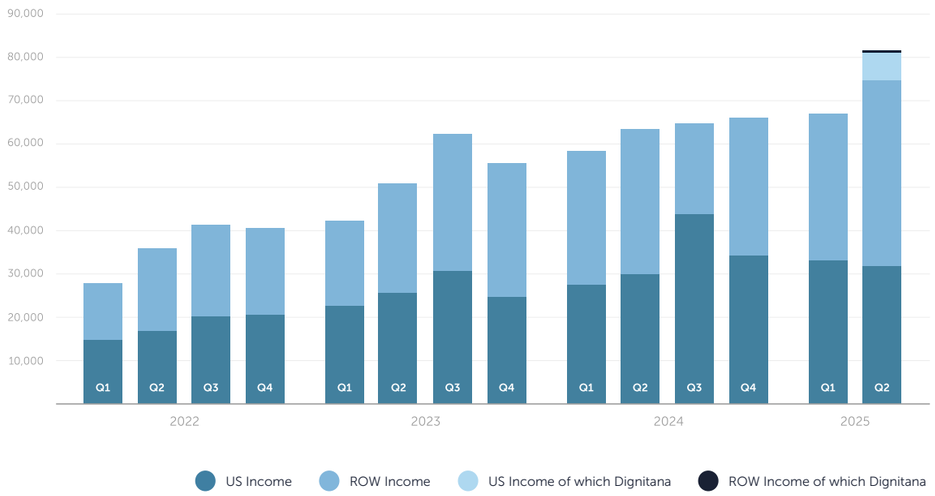






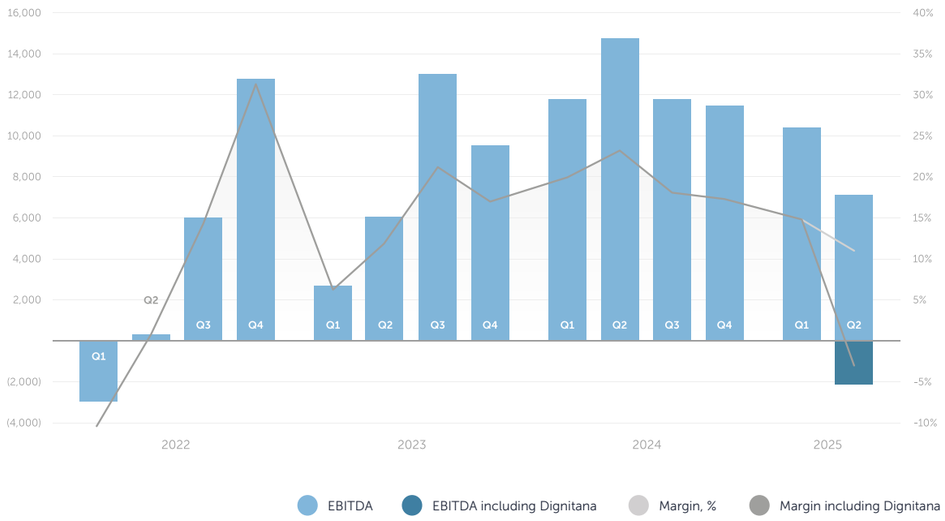
US & ROW Income

MSEK



EBITDA

MSEK



Comments to the Financial Statements

Note that all figures for the actual period includes Dignitana as part of the group as of June 1st. The Purchase Price Allocation remains preliminary as we continue to assess the acquired intangible assets and determine their valuation. No amortisation has been recorded for the period.

Sales and earnings

Net sales in Q2 2025 totalled 74.9 MSEK, compared to 63.4 MSEK in Q2 2024 a 17% increase in revenue. 11% of the increase in revenue is as a result of the Merger with Dignitana. US revenue is up 44% on Q2 2024, of which 25% is the acquired US income within Dignitana.

In Q2 2025 EBITDA is recorded at a profit of 5.0 MSEK. This compares to an EBITDA profit of 14.8 MSEK for Q2 2024. This reflects the increased costs arising from the merger restructuring at 4.4 MSEK, along with the increased costs to support the upcoming commercialisation of the new CIPN device.

As a consequence of the above, operating profit in Q2 was 576 TSEK compared to a profit of 10.6 MSEK in Q2 2024.

As in prior periods, operating earnings are of course also heavily impacted by depreciation, a consequence of strong investments in the US, where the scalp cooling systems are reported as fixed assets in the Group's balance sheet of 26.6 MSEK.

Included within the financial costs is a currency loss of 3.6 MSEK compared to a loss of 0.5 MSEK in Q2 2024.

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

Cash flow

The operational cash inflow in Q2 of 369 TSEK was lower than the prior year due to the initial restructuring costs as part of the merger; increased revenues in the period ensured that an operational inflow was achieved. The cash outflow of 4.7 MSEK in investing activities is due to the continued investment in the CIPN commercialisation costs, in addition to US scalp cooling systems supporting the growth of the Insurance-Based Billing Model. There was a cash inflow of 1.2 MSEK due to cash acquired as part of the acquisition.

Financial position

There is an increase in the group's liabilities to 71.2 (42.7) MSEK on 30 June, of which 17.8 (13.3) MSEK is interest bearing. The increase is due to the additional liabilities acquired following the merger. Cash on hand has increased from 33.4 MSEK to 149 MSEK from Q2 2024 due to the share issue in the Q1 2025.

Employees

As of 30 June 2025, the Group had a total of 140 employees, 1 by Paxman AB, 85 by Paxman Coolers Ltd., 15 by Paxman US, Inc., 17 by Paxman Canada Inc., 7 by Dignitana AB, and 15 by Dignitana US Inc. As of 30 June 2024, the Group had a total of 102 employees, 1 by Paxman AB, 72 by Paxman Coolers Ltd., 13 by Paxman US, Inc., and 16 Paxman Canada Inc.

Parent company

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

Account principles

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

AFFIRMATION

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

Karlshamn, 20 August 2025
Paxman AB (publ)

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

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

Tel +44 7968 020641
Email richard@paxmanscalpcooling.com

This is information that Paxman AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, and will be published at 07:00 August 20th 2025.

Consolidated Income Statement

(CONDENSED)

TSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net sales	74,858	63,413	141,987	122,033	253,007
Capitalized expenditure	2,628	2,387	5,116	4,489	10,188
Total operating income	**77,485**	**65,800**	**147,103**	**126,522**	**263,195**
Raw materials and consumables	-25,862	-21,097	-50,950	-41,332	-87,775
Other operating costs	-20,582	-13,057	-36,329	-26,653	-57,582
Personnel costs	-26,078	-16,878	-44,478	-32,029	-68,112
Depreciation	-4,387	-4,167	-8,570	-8,502	-16,218
Total operating costs	**-76,909**	**-55,198**	**-140,327**	**-108,516**	**-229,687**
Operating profit/loss	**576**	**10,601**	**6,776**	**18,006**	**33,508**
Net financial items	**-3,683**	**-763**	**-15,408**	**4,944**	**7,992**
Profit/loss after net financial items	**-3,107**	**9,838**	**-8,633**	**22,950**	**41,500**
Tax	-160	-21	-143	-24	-1,304
Net profit/loss for the period	**-3,267**	**9,817**	**-8,776**	**22,925**	**40,196**
Attributable to:					
Owners of the payment company	-3,118	9,817	-8,627	22,925	40,196
Non-controlling interests	-149	-	-149	-	-

Dignitana has been part of the group since June 1

Consolidated Balance Sheet

(CONDENSED)

TSEK	30-JUN-2025	30-JUN-2024	31-DEC-2024
Assets			
Intangible fixed asset	194,965	37,230	38,926
Tangible fixed assets	47,281	43,789	45,214
Financial fixed assets	8,054	8,876	9,228
Total fixed assets	**250,300**	**89,895**	**93,368**
Long term receivable	3,298	2,921	3,632
Inventories	33,607	24,749	29,688
Current Receivables	62,427	39,366	60,233
Cash and bank balances	149,276	33,406	40,310
Total current assets	**248,608**	**100,441**	**133,863**
Total assets	**498,907**	**190,337**	**227,231**
Equity and Liabilities			
Shareholders equity	425,824	145,852	163,993
Total equity attibutable to the parent	**425,824**	**145,852**	**163,993**
Non-controlling interests	-148	-	-
Total equity	**425,676**	**145,852**	**163,993**
Provisions for taxes	2,001	1,745	1,454
Total provisions	**2,001**	**1,745**	**1,454**
Liabilities to credit institutions	3,542	1,879	808
Other long term liabilities	4,135	4,176	5,676
Non-current liabilities	**7,676**	**6,055**	**6,484**
Liabilities to credit institutions	14,307	11,458	13,485
Accounts payable	23,514	16,360	26,696
Other current liabilities	25,732	8,868	15,119
Current liabilities	**63,554**	**36,685**	**55,300**
Total equity and liabilities	**498,907**	**190,337**	**227,231**

Dignitana has been part of the group since June 1

Consolidated Statement of Cash Flows

TSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Cash Flow from Operating Activities					
Results before financial items	576	10,616	6,776	17,982	33,508
Financial items	-3,683	-763	-15,408	4,944	7,992
Income Tax Paid	-160	-21	-143	-24	-1,304
Adjustments for:					
Depreciations and write downs	4,387	4,167	8,570	8,502	16,218
Other non-cash items	3,584	-	12,464	-	-5,067
Cash flow before changes in working capital	**4,704**	**13,998**	**12,259**	**31,403**	**51,348**
Cash flow from changes in working capital:					
Inventories	1,948	-1,352	3,220	-4,750	-9,689
Current receiveables	-4,046	-1,037	6,488	-4,505	-26,084
Current debts	-2,237	546	-15,380	126	17,049
Cash flow before changes in working capital	**-4,335**	**-1,843**	**-5,672**	**-9,128**	**-18,723**
Cash flow from operating activities	**369**	**12,155**	**6,587**	**22,275**	**32,625**
Investing Activities					
Investing in intangible fixed assets	-527	-1,693	-2,289	-3,698	-4,457
Investing in tangible fixed assets	-4,214	-2,690	-6,648	-8,580	-12,768
Investing in financial fixed assets	-	6	-	-1,337	-1,381
Cash flow from investment activities	**-4,741**	**-4,377**	**-8,937**	**-13,615**	**-18,606**
Financing Activities					
New share issue	-	-	117,277	-	-
Loans taken (+)/repayment of loans (-)	1,154	-3,853	-3,602	-234	721
Cash flow from financing activities	**1,154**	**-3,853**	**113,675**	**-234**	**721**
Cash flow for the period	**-3,219**	**3,925**	**111,325**	**8,426**	**14,740**
Cash and Cash equivalents, opening balance	152,724	29,482	40,310	24,981	24,981
Exchange rate difference in cash and cash equivalents	-230	-	-2,359	-	589
Cash and Cash equivalents, closing balance	149,276	33,406	149,276	33,406	40,310

Dignitana has been part of the group since June 1

Acquired Assets and Liabilities

TSEK	
Cash	3,844
Intangible assets	228
Tangible assets	9,527
Accounts receivable and other receivables	8,348
Inventories	7,140
Deferred tax liabilities	-635
Accounts payable and other liabilities	-21,272
Liabilities to credit institutions	-7,158
Acquired net assets	**21**

Consolidated Changes in Equity

(CONDENSED)

TSEK	30-JUN-25	30-JUN-24	31-DEC-24
Opening balance as of 1 January	163,993	122,616	122,616
Translation gains/losses on consolidation	-5,183	310	1,181
New share issue	276,357	-	-
Share issue costs	-6,223	-	-
Profit/loss for the period	-3,267	22,925	40,196
Closing balance	**425,676**	**145,852**	**163,993**
Attributable to:			
Owners of the payment company	425,824	145,852	163,993
Non-controlling interests	-148	-	-
Closing balance	**425,676**	**145,852**	**163,993**

Dignitana has been part of the group since June 1

Key Ratios

TSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Operating margin, %	0.77%	16.72%	4.77%	14.76%	13.24%
Operating margin, % without Dignitana acquistion	5.09%	16.72%	7.25%	14.76%	13.24%
EBITDA (TSEK)	4,963	14,768	15,346	26,508	49,726
EBITDA (TSEK) without Dignitana acquisition	8,143	14,768	18,526	26,508	49,726
Equity/assets ratio, %	85.3%	76.6%	85.3%	76.6%	72.2%
Liquid assets, net	131,426	20,069	131,426	20,069	26,016
Market capitalization	1,875,837	893,588	1,875,837	893,588	1,247,220

Parent Company Income Statement

(CONDENSED)

TSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net sales	126	1,681	152	1,763	2,033
Total operating income	**126**	**1,681**	**152**	**1,763**	**2,033**
Raw materials and consumables	-47	-533	-57	-568	-774
Other operating costs	-1,170	-854	-2,226	-1,635	-4,318
Personnel costs	-1,115	-442	-1,359	-822	-1,288
Depreciation	-	-6	-	-12	-16
Total operating costs	**-2,333**	**-1,836**	**-3,642**	**-3,036**	**-6,380**
Operating profit/loss	**-2,207**	**-155**	**-2,490**	**-1,273**	**-4,347**
Net financial items	**1,077**	**707**	**1,959**	**1,415**	**2,854**
Profit/loss after net financial items	**-1,130**	**552**	**-1,531**	**143**	**-1,493**
Net profit/loss for the period	**-1,130**	**552**	**-1,531**	**143**	**-1,493**

Dignitana has been part of the group since June 1

Parent Company Balance Sheet

(CONDENSED)

TSEK	30-JUN-2025	30-JUN-2024	31-DEC-2024
Assets			
Tangible fixed assets	-	4	-
Investments in group companies	182,327	26,937	26,937
Receivables from group companies	119,200	115,999	117,429
Total fixed assets	**301,527**	**142,940**	**144,366**
Accounts receiveable	-	160	73
Other current receivables	1,875	1,413	770
Cash and bank balances	125,343	16,199	13,830
Total current assets	**127,218**	17,771	**14,673**
Total assets	**428,745**	**160,712**	**159,039**
Equity and Liabilities			
Shareholders equity	427,153	160,202	158,550
Total equity	**427,153**	**160,202**	**158,550**
Other current liabilities	1,195	334	174
Accrued costs and prepaid income	397	175	315
Current liabilities	**1,592**	**510**	**489**
Total equity and liabilities	**428,745**	**160,712**	**159,039**

Dignitana has been part of the group since June 1

Data Per Share

	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Earnings per share, SEK [1]	-0.14	0.52	-0.38	1.21	2.11
Earnings per share, SEK, diluted [2]	-0.14	0.51	-0.38	1.20	2.11
Equity per share, SEK , [1]	18.29	7.67	7.05	7.67	8.63
Cash flow from operating activities per share, SEK [1]	0.02	0.64	0.28	1.17	1.72
Share price at the end of the period, SEK	80.6	47	80.6	47	65.6
Number of shares at the end of the period	23,273,416	19,012,500	23,273,416	19,012,500	19,012,500
Number of shares at the end of the period at full dilution [2]	23,467,048	19,080,978	23,467,048	19,080,978	19,080,978
Number of shares, weighted average in the period	22,197,888	19,012,500	20,731,860	19,012,500	19,012,500
Number of shares, weighted average in the period, diluted [2]	22,328,943	19,080,978	20,831,627	19,080,978	19,080,978

1) Earnings and cash flow per share are based on the weighted average number of shares in the period. Equity per share is based on the total number of issued shares on balance sheet day.

2) As of June 30, 2025, the company had two outstanding option programs. The first program, where the decision to issue warrants was made at the Annual General Meeting on May 23 2019 and the warrants were issued immediately thereafter, is aimed at employees at the subsidiary Paxman Coolers Limited in Huddersfield. For this a total of 68,478 warrants have been issued, with the accompanying right to subscribe for a maximum of 68,478 new shares in the company aimed at employees at the subsidiary Paxman Coolers Limited in Huddersfield. The second program was decided at this year's Annual General Meeting on May 16. The program included 125,154 warrants the warrants were issued immediately thereafter and is aimed for employees of the foreign subsidiary Paxman Coolers Ltd who are not tax liable in Sweden.

Dignitana has been part of the group since June 1

OTHER INFORMATION

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

Paxman have been pioneering scalp cooling technology to help prevent chemotherapy-induced alopecia for over 25 years, providing scalp cooling to cancer patients across the globe. The Paxman Scalp Cooling System leads the market and is presently used at a large number of cancer centres and hospitals in Europe, North, Central and South America, Asia and Oceania, with more installs continuously being added. The company is also developing a medical cooling and compression device to prevent chemotherapy-induced peripheral neuropathy (CIPN). A large multicentre trial has begun with the system in the USA.

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

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

Ensuring a positive experience while scalp cooling has shaped the work that Paxman has focused on over the last 3 years, growing and developing support offered to the patient population. It has been acknowledged that an educated patient with moderated expectations has a better outcome. As a result, Paxman has developed a comprehensive suite of patient education materials, helping with decision making, sharing transparent information on outcomes and encouraging patients to take ownership of cap fitting. This not only supports the patient, allowing them to feel empowered, but also reduces the burden of education from clinical teams.

Research and development are core to Paxman's growth, with substantial investment over the last decade, ensuring that scalp cooling efficacy continues to improve and new solutions for chemotherapy side effects are explored. The company has conducted many successful clinical studies with leading clinics and cancer centres all over the world, including the world's first randomised multicentre study with a scalp cooling system. The results from these studies formed the basis of market approvals in Europe, the United States, Japan and Australia as well as additional markets in South America and Asia. This focused global expansion now sees Paxman systems being used in over 65 markets worldwide. After initiating several clinical trials for a device to prevent CIPN, the company is now following regulatory pathways for commercialisation in selected markets and preparing to evolve into a multi-product brand and business.

In 2025, Paxman completed a public offer to purchase all shares in Dignitana, formerly a competitor of the business, thus merging the two businesses into a new, unified group called Paxman AB. Through this exciting merger, Paxman looks forward to improved collaborations and connections, with new perspectives and shared strengths, as both Paxman and Dignitana continue to improve patient outcomes together as one team. With higher levels of service, greater resource, and further investment in R&D, it also creates more favourable conditions for the introduction of the device to prevent CIPN.

> *"Paxman looks forward to improved collaborations and connections, with new perspectives and shared strengths.*

Research & Development

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

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

Current projects for the Paxman R&D team and our wider research partners: The University of Huddersfield, King's College London, Sheffield Hallam University, The University of Leeds and the National University Hospital in Singapore, are split into 4 areas:

Preventing chemotherapy-induced peripheral neuropathy

Chemotherapy-induced peripheral neuropathy (CIPN) is damage caused to the peripheral nervous system that carries messages between the brain, the spinal cord and the rest of the body, as a result of chemotherapy treatment. Sensory side effects are caused when nerves in the most distal parts of the limbs are damaged – the hands and feet. This less high-profile side-effect is a potentially debilitating outcome of taxane chemotherapy treatment impacting the hands and feet, ranging from a tingling sensation to excruciating pain. Huge progress was made in both 2023 and 2024 with the Paxman Limb Cryocompression System (PLCS), a portable cryocompression product developed to prevent CIPN. Trials have shown the potential of cryotherapy as an effective preventative treatment, creating the need for a clinically-tested medical device that can deliver consistent, reliable cooling to replace the currently available unregulated manual cooling in the form of frozen gloves, or mechanised cooling that is not supported by a largescale trial. PLCS prototype systems were placed in Singapore for use in a pilot clinical trial to establish the efficacy of cryocompression. Phase one testing in healthy individuals was completed and the trial has progressed to stage two, with initial findings among 47 enrolled cancer patients proving positive when presented at the MASCC conference in 2024. Further data was presented at the MASCC 2025 conference in Seattle, with a new total of 70 patients. See page 34 for details. 2023 saw the initiation of a phase III trial in the US, a three arm, multi-centre, randomised efficacy study using the PLCS, aiming to recruit 777 patients across 25 sites.You can read more about the CIPN prevention trial in the 2024 Annual Report.

New cooling cap design

The current cap and cover, launched in 2017, is a robust but lightweight cap, with an improved fit from previous designs. It delivers improved efficacy, easy utilisation and was designed to be suitable for both single-use and regular use markets. There are however several areas that Paxman are keen to improve on. Utilising the medical design expertise within the University of Huddersfield's award-winning product design team, Paxman launched a project to explore methods of improving the cooling cap and cover, to factor in sustainability and the best possible fit for all head shapes and sizes. With a heavy focus on innovation, advanced design and development, and technical material research, Paxman have continued this project in collaboration with The University of Leeds to see it through to completion and subsequently release to the market next year.

Miniaturisation of cooling technology

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

Topical agent to improve scalp cooling efficacy

While scalp cooling efficacy has made significant improvements over the last decade, scalp cooling is not a perfect process, and even the patients with the highest levels of hair retention at the end of treatment will experience some level of shedding as a normal part of the treatment.

Paxman have been working with Dr Nikolaos Georgopoulos, formerly of the Paxman Research & Innovation Centre and now Sheffield Hallam University, to develop topical formulations which will aim to minimise or prevent chemotherapy-induced alopecia in conjunction with scalp cooling, improving patient experience and confidence in scalp cooling.

Research published by the team at Sheffield Hallam University developed formulations that use lipid nanoparticles with the ability to deliver antioxidants (AOs) to the hair follicle region in the skin, used as a precursor to scalp cooling. During its final stage, the project focused on completing the development of the production of nano-particulates for the formulation of a panel of three reactive oxygen species (ROS) inhibitors (AO1, AO2 and AO3) using a range of formulations to encapsulate these ROS inhibitors/AOs for optimised skin delivery. These are AOs for which we have extensive laboratory (in vitro) data, proving their ability to prevent hair follicle cell cytotoxicity when used in conjunction with cooling against a variety of chemotherapy drugs.

The formulations may not only dramatically enhance the efficacy of scalp cooling in protecting from hair loss, but also significantly accelerate recovery post chemotherapy treatment.

The research, authored by Khalidah Ibraheem, Adrian Smith, Andrew Collett and Nikolaos Georgopoulos, was published in the Frontiers in Pharmacology Journal in July 2025, titled *'Prevention of chemotherapy drug-mediated human hair follicle damage: combined use of cooling with antioxidant suppresses oxidative stress and prevents matrix keratinocyte cytotoxicity'*.

Speaking about the published research, which was publicised in mainstream media outlets across the UK, Dr. Georgopoulos said, "Our ongoing work will ensure that efficacy is as high as possible with the belief that a topical agent will not only dramatically enhance the efficacy of scalp cooling, but also significantly accelerates hair recovery post chemotherapy." As of July 2025, the coverage is estimated to have reached 1.3 million people.

Paxman now looks to move forward with the advancements made by Dr Nikolaos Georgopoulos and his team, with formula optimisation of the Nano Lipid Carrier now underway with a chosen commercial partner to make this research a reality.

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

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

An Unmet Clinical Need

Chemotherapy-induced peripheral neuropathy (CIPN) is a severe and dose-limiting complication of taxane-based chemotherapy, affecting 30-68% of chemotherapy patients at various stages (Seretny et al., 2014).[1] Drugs cause damage to the peripheral nervous system that carries messages between the brain, the spinal cord, and the rest of the body. It results in chronic pain, numbness, and sensory impairment in the extremities, substantially decreasing quality of life and functional independence. These debilitating symptoms often persist for years after treatment completion (Loprinzi et al., 2020).[2]

The prevalence of these symptoms is usually highest in the first month after the completion of chemotherapy at 68.1%. However, as many as 41.22% of patients still report chronic CIPN symptoms (three months after the completion of chemotherapy) (Seretny et al., 2014).

Patients treated with platinum-based agents and taxanes have exhibited the highest prevalence of chronic painful CIPN at 40.44% and 38.35%, respectively (D'Souza et al., 2025).[3] A recent study reported that patients were nearly 30 times more likely to prefer discontinuing chemotherapy if they believed their current CIPN symptoms would be permanent compared to the scenario where they would be temporary (Jun et al., 2024).[4]

Developing a solution for CIPN

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

A recent meta-analysis reported that the use of cryotherapy decreased the occurrence of CTCAE grade≥2 PN by 55% (Kumar et al., 2025).[5]

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

In 2021, a research grant of 1.57 million SGD was received from National Research Foundation (NRF) in Singapore. With this, a clinical trial was initiated by National University Hospital, Singapore, in collaboration with The No.1 Institute for Health, National University of Singapore, to evaluate the limb cryocompression system with healthy volunteers and cancer patients. The first phase of the trial was completed in 2022, with the second phase initiated later the same year, to evaluate the safety and efficacy of the device in preventing CIPN in over 80 patients receiving any taxane-based chemotherapy. This study is ongoing with over 90 patients enrolled.

Findings from the Singapore Trial

Initial findings from phase I of the trial in Singapore were positive and promising. Concomitant scalp and limb cryotherapy during chemotherapy was found to be safe and feasible.

Dr. Rachel Wong, a clinician working on the study, presented further preliminary data from phase II of the trial at the MASCC Annual Meeting in June 2024. Dr. Wong reported data from 47 patients, the majority of which (79%) completed all planned treatments with cryocompression. Limb cooling was well tolerated at 11°C, even with concurrent scalp cooling (of which a third of the patients underwent concomitant scalp and limb cooling). More than half (57%) of patients completed all planned treatments without any dose reduction or delay of taxane chemotherapy and impressively only 8% of patients required dose modification of their chemotherapy drugs due to CIPN.

Equally important in her findings from June 2024, 65% of patients did not experience CIPN, whilst 32% developed Grade 1 CIPN; 50% of which were transient. Only 15% of patients experienced clinically meaningful CIPN at the end of chemotherapy treatment with only 1 patient developing grade 2 CIPN.

In June 2025, Dr. Joline Lim of the National University Cancer Insitute, Singapore, delivered further findings at the MASCC 2025 Annual Meeting. Following a preliminary overview of CIPN and current management strategies, Dr. Lim introduced the design of the phase I-II study and presented the updated data with the new total of 70 patients (up from 47).

At 12 weeks post-completion of chemotherapy, 75% of the 68 patients did not experience any residual CIPN. Of the 13 patients who had CIPN, 11 had grade 1 CIPN (2 had baseline grade 1 prior to chemotherapy) and two patients developed grade 2 CIPN. Only 16% of patients experienced clinically significant CIPN at the end of chemotherapy. 76.5% received all planned treatments with cryocompression and again, limb cooling was well tolerated even with concurrent scalp cooling. Only 6% of patients experienced CIPN that required dose reduction.

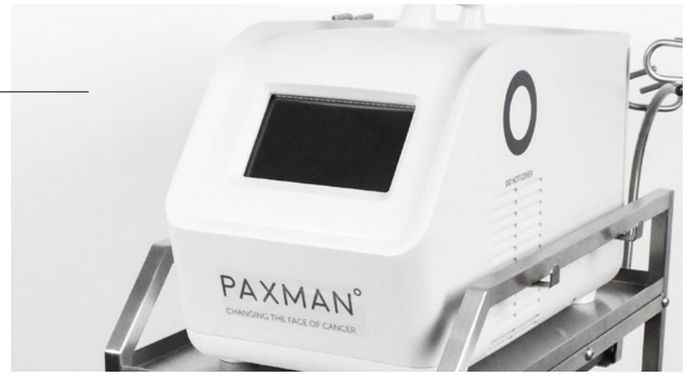
The summary of the results in the table below show how important extensive data from phase three of the trial will be to further confirm these findings as well as providing extensive data from such a sizeable cohort to enable rigorous data analysis.

The study concludes thus far that the use of limb cryocompression:

- is safe and well-tolerated in patients receiving taxane-based chemotherapy
- can be safely administered with scalp cooling therapy
- shows promising data in preventing taxane-based CIPN with no significant change in sensory scores reported
- facilitates the effective dose delivery of taxane-based chemotherapy
- preserved CIPN-20 Quality of Life scores at 3 months post taxane chemotherapy
- did not cause core hypothermia during a 3-hour observational period

Metric	MASCC 2024	MASCC 2025
Total Patient Enrolled	47 (37 completed)	70 (52 completed)
Completed all planned cryocompression	79%	76.5%
Completed chemotherapy without dose reduction	57% (21/37)	67% (35/52)
CIPN requiring dose reduction	8% (3/37)	6% (3/52)
No CIPN at end of chemotherapy	65% (31/37)	75% (39/52)
Clinically meaningful CIPN	43% (16/37)	25% (13/52)
Grade 1 CIPN	15 patients (half were transient)	11 patients (2 had pre-existing G1)
Grade 2 CIPN	1 patient (2%)	2 patients (3.8%)

The US SWOG S2205 ICE COMPRESS Study



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

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

To date, the cryocompression devices have been deployed in 25 health systems and had accrued 330 patients as of June 2025. The study is being supported by Paxman: initially providing six devices to each site, delivering onsite commissioning and training, technology adoption support and related resources. Four sites have taken on additional devices to cater for their high recruitment volume and interest from patients to enrol on the study. The study will continue to accrue patients over its 2.5-year period and each patient will receive follow-ups for 52 weeks following treatment commencement.

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

Product Useability and Regulatory Pathways

A trial of such significant size, along with early feedback from the SWOG trial, has provided an opportunity to collect information beyond that which reflects on patient experience.

The phase II trial in Singapore has provided us a clear regulatory pathway for 2025. A trial of such a significant size, along with early feedback from the SWOG trial, has provided an opportunity to collect information beyond that which reflects on patient experience. Research teams have also taken the opportunity to gather highly valuable quantitative and qualitative device usability data from stakeholders (patients, nurses, device administrators). The enhanced product development that comes from this feedback will ensure that the product is not only effective but simple to use and will increase the likelihood of buy in and adoption from clinical teams and ensure that implementation of the device, once commercialised, is smooth and has longevity. Alongside this work, a clear regulatory strategy has been created with the correct timing of deployment in consideration.

After a design freeze commitment in February 2025, the transition from research and development to regulatory has begun. Work now commences with a focus on key regulatory jurisdictions and subsequent commercialisation such as the USA, Singapore and the UK initially. Appropriate regulatory testing has now commenced with a completion date expected in Q3/Q4 2025. Following the medical device testing, submissions to both the US and European/UK authorities shall commence with an expected clearance date in February 2026 and April 2026 respectively. Product launches are currently being planned for 2026 with a key focus on the USA.

June 2025 — **Preparation & Finalisation**

- Finalising regulatory strategy and testing
- Preparing the market via communication and marketing strategies
- Submissions to regulatory bodies later in 2025
- Development of branding, value proposition and messaging primed for launch
- Finalisation of commercialisation strategy for the device

2026 — **Launch**

- A clear path for product rollout into the United States and the UK, with the potential for some European markets, from **Q2/Q3 2026**
- Full commercialisation with launch to all other markets in **2027**

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[1] Seretny, M., et al. (2014). Incidence, prevalence, and predictors of chemotherapy-induced peripheral neuropathy: A systematic review and meta-analysis. The Lancet Oncology, 15(6), 579-589.

[2] Loprinzi, C. L., et al. (2020). Prevention and management of chemotherapy-induced peripheral neuropathy in survivors. Journal of Clinical Oncology, 38(19), 2182-2194. DOI:10.1200/JCO.20.01399

[3] D'Souza RS, Saini C, Hussain N, et al. Global estimates of prevalence of chronic painful neuropathy among patients with chemotherapy-induced peripheral neuropathy: systematic review and meta-analysis of data from 28 countries, 2000–24 Regional Anesthesia & Pain Medicine Published Online First: 29 January 2025. doi: 10.1136/rapm-2024-106229

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[5] Kumar, P. A., et al. (2025). A meta-analysis of the utility of cryotherapy for preventing peripheral neuropathy among breast cancer patients receiving paclitaxel and nab-paclitaxel. Breast Cancer Research and Treatment. DOI: 10.1007/s10549-024-07597-z

Clinical Studies and Collaborations

Paxman's scalp cooling is continuously evaluated with different types of chemotherapy treatments and patient groups in order to gain further knowledge and improve the treatment effect.

Paxman are pleased to have not only the most published peer reviewed data using its scalp cooling systems, but the most open and active studies, advancing our knowledge with a view to improve efficacy and access globally.

Importance of clinical trials

Clinical trials are essential for advancing medical science by testing new treatments, therapies, and interventions in a systematic and regulated manner. These trials are essential for determining the efficacy, safety, and potential side effects of new medical approaches. Trials have also been conducted to elucidate topics such as best protocols, determinants for efficacy, tolerance and more to give a deeper understanding of scalp cooling. Studies have also investigated the efficacy of scalp cooling beyond retention, notably the regrowth benefits and the prevention of persistent chemotherapy-induced alopecia – awareness of which is growing among patients. There are now over 80 published papers on scalp cooling via scalpcoolingstudies.com alone. As more clinical evidence becomes available, it is important that underrepresented populations are also studied.

Recently published studies of significance

Recent months have seen the publications of two important studies into scalp cooling. Firstly, a South Korean paper titled 'Scalp Cooling in Preventing Persistent Chemotherapy-Induced Alopecia: A Randomized Controlled Trial' by D. Kang et al., published in the Journal of Clinical Oncology, found that scalp cooling helped to prevent PCIA by increasing hair thickness and was found to be helpful in promoting qualitative hair regrowth. This study has significant implications, meaning that scalp cooling should be offered to patients who are eligible and despite any unwanted hair loss, should continue with treatment to preserve the follicles for regrowth.

Whilst not in a clinical setting, The Dutch Scalp Cooling Registry by T.S. Brook et al. And published in The Oncologist, is a valuable study that uses real-world data to find determinants for the efficacy of scalp cooling. It is the largest global study of its kind. With data on 7,424 patients, it is highly valuable and found that only chemotherapy regimen and dosage affected patient outcomes, concluding that further study is required. In order to accelerate advances for individual patient care, the true determinants of scalp cooling efficacy need to be understood, which could be achieved through biomarkers such as scalp skin temperatures.

A full list of ongoing studies into scalp cooling and limb cryocompression can be found at scalpcoolingstudies.com

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

Ongoing Clinical Trials

Aside from the ongoing clinical trials into CIPN, as outlined on page 48-50 in the annual report 2024, there are currently a number of ongoing trials into scalp cooling.

Scalp Cooling for Chemotherapy-Induced Alopecia in Patients of Color

Location: Montefiore Medical Center

This study evaluates the effectiveness of scalp cooling in patients of colour receiving chemotherapy for breast or lung cancer. Due to limited representation and reduced efficacy in prior studies, the research focuses on techniques to improve scalp cooling for hair types 3 and 4, aiming to increase contact with the cooling cap. It also investigates the molecular mechanisms behind persistent alopecia by following patients up to 6 months after completing final treatment. The study will enrol an estimated 30 participants.

Study of Cold Cap Therapy for Prevention of Hair Loss in Paediatric Patients

Location: St. Jude Children's Research Hospital

This study examines the safety and feasibility of using the Paxman scalp cooling device to prevent hair loss in paediatric patients receiving chemotherapy for non-cancerous conditions or solid tumours. The primary focus is on assessing hair loss incidence and intensity, with an estimated enrolment of 40 participants.

Prevention of Alopecia in Patients With Localised Breast Cancer (ICELAND)

Location: Centre Francois Baclesse, Caen, France

This study aims to strengthen the evidence on preventing chemotherapy-induced alopecia (CIA) in France by evaluating the effectiveness of two scalp refrigeration techniques during anthracycline- and taxane-based chemotherapy. The study will assess not only the prevention of hair loss but also the impact on patients' quality of life, self-image, and satisfaction with care during and after treatment. Additionally, the study will analyse the cost-effectiveness of each refrigeration method, with the results intended to guide the selection of the most appropriate technique for CIA prevention. Estimated enrolment is 196 patients.

Risks and uncertainties

Information on current risks and uncertainties, as well as on how the company acts to mitigate them, can be found in the annual report for 2024 (pages 73-74). An English translation of this segment is available upon request.

The share

The Paxman share is listed on Nasdaq First North Growth Market since 12 June 2017. The share's trading name is PAX, its ISIN code SE0009806284 and its LEI code 549300OT2V7Q4IDX8X68. The share capital in the company amounted to SEK 23 273 416 split on 23 273 416 shares on 30 June 2025, each with a quota value of SEK 1. Paxman has only one class of shares.

Ownership structure

A list of Paxman's 10 largest shareholders is available on www.paxman.se and is updated at the end of each quarter. As of 30 June 2025, the 10 largest shareholders held 57,7% of all issued shares. At this time, Paxman had a total of 3,120 individual shareholders.

Annual general meeting 2026

The next AGM of Paxman AB (publ) will be held in Karlshamn, Sweden, in May 2026. The AGM will be held in premises adjacent to the company's head office at Pirgatan 13, NetPort, Karlshamn.

Nomination committee

For the 2026 AGM, the Nominating Committee will be appointed during the autumn of 2025 based on the 5 largest shareholders on the last business day of September 2025. For the 2025 AGM, the Nominating Committee was comprised of the following three members:

- Roger Johansson, Committee Chairman representing CIMON Venture Trust AB
- Glenn Paxman, Board member and majority shareholder
- Richard Paxman, CEO and board member and major shareholder

Their contact details, as well as full guidelines for their appointment and responsibilities, are available on www.paxman.se.

Corporate information

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

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Together, we
can make a *difference.*

Financial Calendar

Interim Report as of 30 September 2025 | 14 November 2025

Year-end Report 2025 | 27 February 2026

Annual Report 2025 | 24 April 2026

Interim Report as of 31 March 2026 | 21 May 2026

Interim Report as of 30 June 2026 | 21 August 2026

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

paxmanscalpcooling.com

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