

A dark blue world map is centered on the page, surrounded by a circular arrangement of white-outlined circles of varying sizes, creating a globe-like effect. The circles are more densely packed in the upper and lower hemispheres and more sparse in the middle.

Q3

INTERIM REPORT
SEPTEMBER 30, 2022

PAXMAN^o
PIONEERS IN SCALP COOLING



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PAXMAN AB (PUBL)

INTERIM REPORT AS OF SEPTEMBER 30, 2022



Q3

Paxman's strongest quarter to date

- The Group's sales amounted to 41.3 (23.3) MSEK for the third quarter of the year.
- For the nine months of the year, sales were 105.2 (66.9) MSEK.
- The Group's net result totaled 4.7 (-5.2) MSEK for the period July-September, which resulted in a total net result of -0.9 (-11.4) MSEK for the nine months of the year.
- EBITDA amounted to 5.6 (-1.3) MSEK for the period July-September, and to 3.0 (-1.4) MSEK for the nine months of the year.
- Earnings per share were 0.24 (-0.30) SEK for the period July-September, and -0.05 (-0.65) for the three quarters of the year.
- Cash flow before financing activities was -14.3 (-6.1) MSEK for the period July-September and -26.2 (-23.8) MSEK for the three quarters of the year.
- Net liquid assets totaled 28.9 (-9.9) MSEK at the end of the period.
- A total number of 372 scalp cooling systems were installed around the world in the first nine months of the year, with the order book containing an additional 220 systems.
- Average Daily Treatment Revenue (ADTR) amounted to 27.44 TUSD (289.43 TSEK) for Q3 2022, corresponding to an increase of 30.9% compared to 20.96 TUSD (181.27 TSEK) for Q3 2021. The figures in SEK have been converted from USD according to the actual exchange rate during each period.
- Recurring income increased from 13.6 MSEK in Q3 2021 to 22.4 MSEK for the same period in 2022.

Significant events during and after the reporting period...

DURING THE PERIOD

In the beginning of the period, Paxman received notification of medical device regulatory clearance in both Colombia and Uruguay. Paxman's exclusive distribution partner for the territory of Colombia, Rocol International SAS, received INVIMA Medical Device Regulatory Approval for Paxman Scalp Cooling from the Colombia National Food and Drug Surveillance Institute (Instituto Nacional de Vigilancia de Medicamentos y Alimentos or INVIMA). In Uruguay, Nelson Arcos S.A. received confirmation from the country's Ministry of Health for the product registration of Paxman Scalp Cooling. As one of the leading medical technology companies in the country, Nelson Arcos is excited to move forward with the marketing launch of the product in the coming weeks.

In August, the company also announced that the Centers for Medicare & Medicaid Services (CMS) in the United States proposed Medicare payment rates for hospital outpatient and Ambulatory Surgical Center (ASC) services. The proposed policies will affect 3,411 US hospitals and approximately 5,500 ASCs. CMS publishes the proposed rule to meet the legal requirements to update Medicare payment policies for OPPS hospitals and ASCs on an annual basis.



AFTER THE PERIOD

In November, Paxman announced that the US Centers for Medicare & Medicaid Services (CMS) has published the final rule, which revises the Medicare hospital outpatient prospective payment system (OPPS) and the Medicare ambulatory surgical center (ASC) payment system for Calendar Year (CY) 2023. The OPPS Final Rule will affect 3,411 hospitals and approximately 5,500 ASCs. This final rule confirms that the payment rate of 1,850.50 USD for CY 2022 will be the same for CY 2023, and that CPT code 0662T will continue to be assigned to APC New Technology 1520.

In November, Paxman announced that the company has been selected by the SWOG Cancer Research Network, an independent global cancer research community that designs and conducts publicly funded clinical trials, for the Paxman Limb Cryocompression System (PLCS) to be used in a prospectively designed study looking at prevention of Chemotherapy-Induced Peripheral Neuropathy (CIPN). S2205 "ICE COMPRESS: Randomized Trial of Limb Cryocompression Versus Continuous Compression Versus Low Cyclic Compression for the Prevention of Taxane-Induced Peripheral Neuropathy" is a clinical trial conducted by SWOG, sponsored and approved by the National Cancer Institute (NCI). In this cooperative group study, participants scheduled to receive taxane-based therapy will be randomly assigned to receive either 1) cryocompression therapy; 2) continuous compression therapy; or 3) low cyclical pressure alone. The study aims to enrol 777 patients. PLCS devices will be shipped in January to a minimum of 25 locations, with an aim to open the study to enrolment in Q1 2023.

SWOG, a consortium of academic institutions, hospitals, community hospitals, community-based physician cooperatives, and individual physician offices, is one of five network groups comprising the National Cancer Institute (NCI) National Clinical Trials Network (NCTN) and as such conducts adult cancer clinical trials sponsored and approved by the NCI.

I am absolutely delighted to report such a strong Q3 2022 report. It is testimony to the continued hard work and determination of our team to grow and innovate, but most importantly do more for our patients. The investments committed to following our 2021 directed issues are now showing the return promised, providing a strong end to the year and a positive outlook for 2023 and beyond. We cannot ignore the macro headwinds, but these shall not deter us from our long-term strategic plans for strong and sustainable growth.

I am excited to report our best quarter to date, showing a 78% growth in net revenues from the same period in 2021 and a 15% growth from Q2 2022. Taking a look at this growth from an entity view, removing any forex gains, our UK entity posted sales of 2.5 million GBP for the quarter, compared to 2.1 million GBP for the prior quarter, a growth of 20%. In the USA, sales of 2.0 million USD were achieved, compared to 1.4 million USD in the same period in 2021 and 1.7 million USD for the prior quarter, corresponding to a growth of 34% and 17.6%, respectively.

Comment by the CEO



Richard Paxman has been CEO for 8 years. Under his leadership, Paxman has established its role as a global leader in scalp cooling to prevent hair loss in cancer patients.

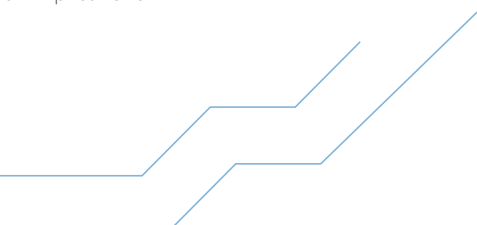
Our buy and bill model is now gaining momentum with the expectation that the adoption rate will gain further speed in 2023. Income generated through this model to date has exceeded 3.8 MSEK, and 2.8 MSEK for the period. I am extremely excited about the early results and hope to have a more detailed summary published by the end of the year. We are seeing positive coverage through Medicare and commercial payers. Data from one health system shows an increase in enrollments of 120% based on the adoption of the new model. We expect this to increase as confidence improves.

I was delighted to see the continued support by CMS for CY 2023, where they have proposed to continue assigning CPT code 0662T to New Technology APC 1520.

It has been further clarified that the Category III T-codes for the professional services are coverable by the MACs under local coverage authority for both Medicare Part A (Hospital Outpatient PPS) and Part B (Physician Fee Schedule) providing greater scalp cooling access for patients and support of the company's new reimbursement model

which is gaining traction in the USA. This should provide further confidence to the providers we work with across the USA.

Although we have seen significant cost increases in Q3 2022 compared to Q3 2021, over 44%, as explained in our last report, I am pleased to demonstrate that our costs have now stabilised, and we have seen a decrease, even with inflationary pressures, increased output, and forex implications.



An operating profit of 796 TSEK was achieved for the quarter and an EBITDA of 5.6 MSEK. Due to an incredibly positive non-trade forex movement for the quarter, due to the movement between GBP/USD, a 4.7 MSEK profit for the period after financial items was achieved.

The inflationary pressures and a cost-of-living crisis in parts of the world cannot be ignored. Our strengthened supply chain team and relationships, along with pricing, will help relieve these pressures. The company is not heavily reliant on energy directly, and investments in sustainable energy and reduced consumption should help reduce any overall impact. Most importantly, the company is committed to the people who make our organisation the company it is today, and we shall do all we can to support them and their families through these challenging times.

I was incredibly proud to be able to speak at an event in Michigan for Cap & Conquer, an organisation committed to supporting patients in Michigan access scalp cooling. The event raised more than 200 TUSD. I also had the pleasure of attending the annual HairToStay fundraiser, as always a spectacular event raising over 600 TUSD for patients across the USA. We continue to work closely and partner with organisations across the USA committed to ensuring scalp cooling is equitable and available for those who want to use scalp cooling, not just those who can afford it.

We are very pleased and proud to finally announce the CIPN clinical trial agreement with SWOG/NCI. The recently published ASCO and ESMO guidelines highlight cryotherapy and compression as promising interventions, but neither is recommended due to lack of efficacy data from rigorous randomized trials. Preliminary evidence suggests that continuous-flow cryotherapy (with or without cyclic compression) and continuous compression therapy may be safer, more tolerable, and easier to implement on a large scale. Thus, it is important to rigorously evaluate these modalities in a randomized controlled trial. The study, S2205, Ice Compress: Randomized Trial of Limb Cryocompression Versus Continuous Compression Versus Low Cyclic Compression for the Prevention of Taxane-Induced Peripheral Neuropathy will take place with the Paxman Limb Cryocompression System across the USA in a minimum of 25 locations and begin in early 2023. This trial is part of the National Clinical Trials Network (NCTN) program, which is sponsored and funded by the National Cancer Institute (NCI). The trial will be led by SWOG with the participation of the network of NCTN organizations: Alliance for Clinical Trials in Oncology; ECOG-ACRIN Cancer Research Group; and NRG.

The end of the year is looking promising with a strong order book (166 systems) and momentum building in the USA, but we still must be mindful of the current global economic situation and outlook and be prepared for some turbulent times ahead. I have confidence in our strong team and our resilience as previously demonstrated, and despite the challenges I am confident for 2023.

Thank you to all our shareholders for supporting us in achieving our goals, and thank you to the Paxman team across the world for continuing to push boundaries.

I was delighted to see the continued support by CMS for CY 2023, where they have proposed to continue assigning CPT code 0662T to New Technology APC 1520.

Huddersfield, November 2022,
Richard Paxman, CEO
 Paxman AB (publ)



NORTH AMERICA

The average patient utilisation for the quarter was 27 TUSD per day in Q3 2022, compared to 25.7 TUSD per day in Q2 2022 and 21 TUSD per day in Q3 2021. In Q3 2022, 88 systems were installed in 39 locations, with a total of 450 locations in 41 states now using the Paxman Scalp Cooling System. The company saw further expansion with new sites for Tampa General Health, Johns Hopkins Green Spring, University of Michigan and University of Rochester, amongst others. There are 43 systems on order in the USA, including additional systems to existing sites as well as new locations. The new buy and bill model, which became available to use for customers in early May, is now up and running with 14 locations. The USA's largest cancer center location in Texas went live in September, along with a large academic cancer center in Carolina and St Louis. At least four further locations will launch in Q4.

Our buy and bill model is now gaining momentum with an expectation this should gain speed in adoption in 2023. Income generated through this model to date has exceeded 3.8 MSEK, and 2.8 MSEK for the period. This relates to cooling caps sold and not specifically patients who have enrolled through the new model. Our experience to date estimates that 120 patients have been through the buy and bill model. Looking specifically at those patients where Paxman have undertaken benefits investigations, we have enrolled 69 patients, of which over 80% have had positive coverage and 12 enrolled through the Paxman Patient Assistance program. Our

understanding at present is that about 90% of these patients with a positive Benefits Investigation (BI) have had claims paid as expected with minimal denials.

Canada continues to show some momentum with Mount Sinai officially contracting and offering scalp cooling in Q4. Per quarter income has increased by 180% compared to the same period as last year.

Market developments



REST OF THE WORLD

It is very clear from the revenue growth in Q2 and Q3 that our UK and overseas markets are performing well. A total of 132 systems were sold and installed in Q3 2022 compared to 141 in Q2 2022, with the number of units installed down, but income up, due to the overall sales mix. Australia, Italy, Japan, and the UK were leading the way based on units ordered.

The company also maintains a strong order book, with orders taking us right through into Q1 2023, including 166 systems of which 43 are to the USA. Key markets for Q4 include Australia, Brazil, India, Italy, The Netherlands and the UK. Recurring revenue for the company reached 22.3 MSEK in Q3 2022, compared to 13.5 MSEK in Q3 2021 and 18 MSEK in Q2 2022. Paxman continues to focus on this growth where possible.

Paxman sees India as a key focus for the future based on its strong private oncology market. The company is excited about the development of its relationships in this market.

The ongoing conflict in Ukraine is continually monitored by the CE and senior management team, and we are abiding by any government sanctions implemented.

Global conferences during the period

06. 30-07.02

Deutsche Gesellschaft für Onkologie

- Stuttgart, Germany
- In-person

09. 02-03

ITQAN Annual Breast Cancer Conference

- Qatar
- In-person

09. 02-03

Suomen Onkologiahydistys (Oncology Days 2022)

- Helsinki, Finland
- In-person

09. 09-13

European Society for Medical Oncology (ESMO) Annual Conference

- Paris, France
- In-person

Global conferences after the period

10. 09

HairToStay Annual Gala Fundraiser

- San Francisco, California, USA
- In-person

10. 12

Fox Chase Cancer Center Together Facing Breast Cancer

- Philadelphia, USA
- In-person

10. 12

ONS Hudson Valley Vendor Fair

- New York, New York, USA
- In-person

10. 13

Caps for a Cure Fundraiser

- Eastchester, New York, USA
- In-person

10. 12-14

Association of Community Cancer Centers (ACCC) 39th National Oncology Conference

- West Palm Beach, Florida, USA
- In-person

10. 14-16

International Oncology Leadership Conference

- Barcelona, Spain
- In-person

10. 20

Breast Cancer Alliance Annual Lunch

- Westchester, New York, USA
- In-person

10. 20

The Upstate Foundation Live Radio Fundraiser

- Syracuse, New York, USA

10. 20-21

AFSOS

- Lille, France
- In-person

Global conferences after the period, cont.

10. 21-22

Boots, Boobs & BBQ,
annual charity cook-off

- Dickinson, Texas, USA
- In-person

10. 23

National Ovarian Cancer Coalition
(NOCC) Together in Teal

- Fort Worth/Dallas, Texas, USA
- In-person

11. 05

Living Beyond Breast Cancer
(LBCC) Butterfly Ball

- Philadelphia, USA
- In-person

11. 11-13

OneOncology Annual
Conference

- Nashville, Tennessee, USA
- In-person and virtual / on-demand

11. 12

Southern New Hampshire
ONS Annual Conference

- Nashua, New Hampshire, USA
- In-person

11. 11-12

UKONS UK Oncology
Society (UKONS) Annual
Conference

- Belfast, Northern Ireland
- In-person

11. 15

Global Power of Oncology
Nursing

- UK
- Virtual

11. 16-18

13th European Breast Cancer
Conference (EBCC)

- Barcelona, Spain
- In-person

11. 17

Tides of Change, American
Cancer Society Fundraiser

- Farmingdale, New Jersey, USA
- In-person

11. 17-18

8th Annual Conference:
Scientific Network on Female
Sexual Health and Cancer

- Yale University, New Haven, Connecticut, USA
- In-person

12. 06-10

San Antonio Breast Cancer
Symposium (SABCS)

- San Antonio, Texas, USA
- In-person

12. 09-12

Think Pink Europe Annual
Meeting

- Tenerife, Spain
- In-person



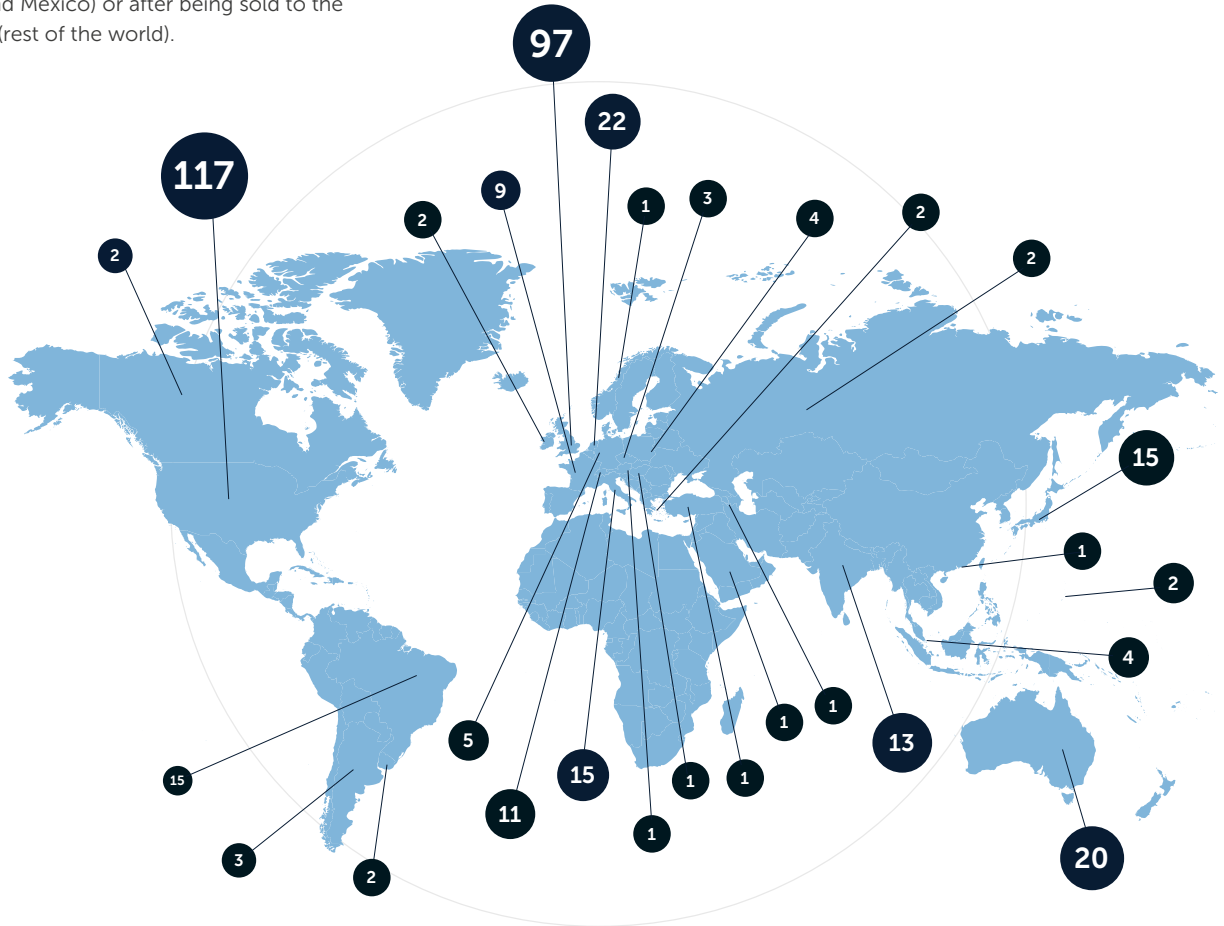
2022 ASCO[®]
ANNUAL MEETING

ADVANCE
THROUGH INNOVATION



Installed systems January–September 2022

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



Argentina	3	Italy	15
Armenien	1	Japan	15
Australia	20	Netherlands	22
Austria	1	Northern Mariana Islands	2
Brazil	15	Norway	1
Canada	2	Poland	4
Czech Republic	3	Russia	2
France	9	Saudi Arabia	1
Germany	5	Singapore	4
Greece	2	Switzerland	11
Hong Kong	1	Turkey	1
Hungary	1	United Kingdom	97
India	13	Uruguay	2
Ireland	2	USA	117

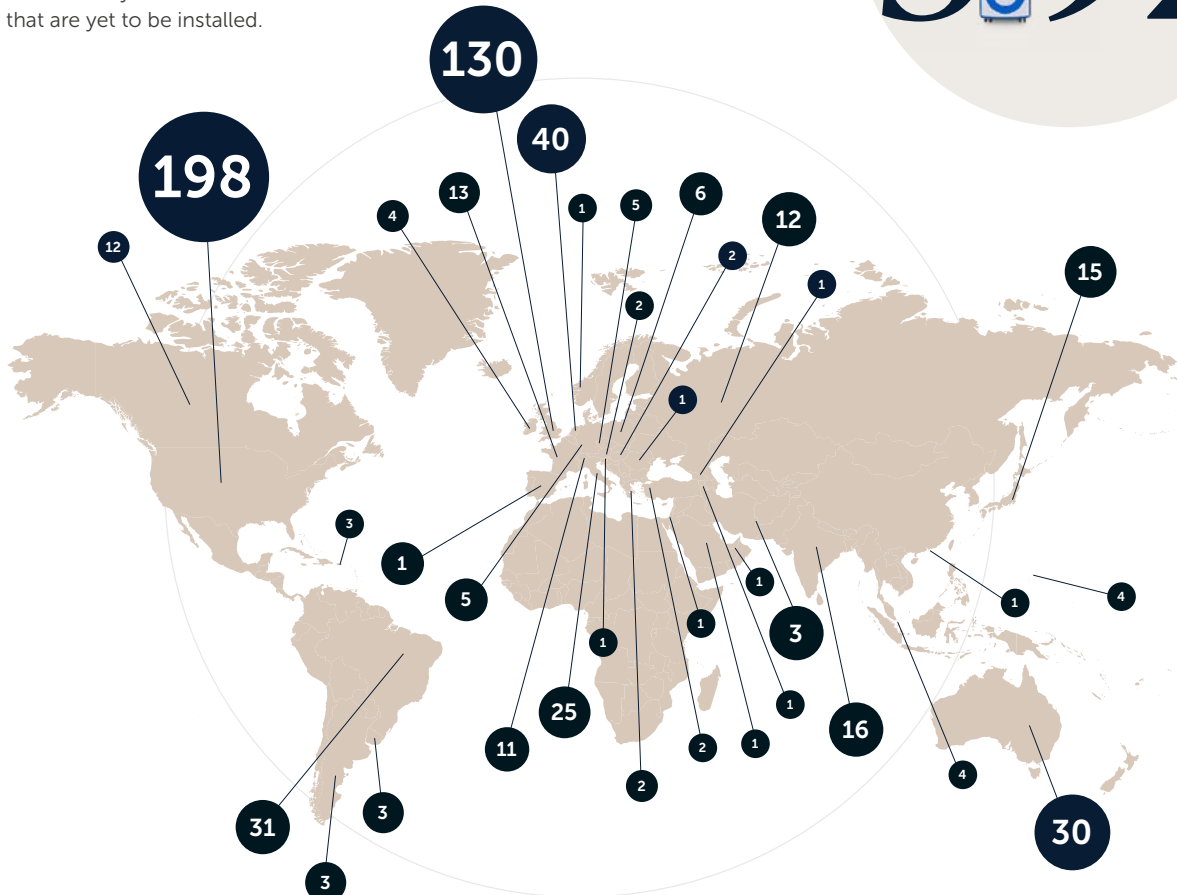


Total systems: 372

Installed systems January–September 2022

plus confirmed orders so far in 2022

The total number for the business operations so far in 2022 (up until November 11). This includes installed systems and confirmed orders that are yet to be installed.



Argentina	3	Hungary	2	Qatar	2
Armenia	1	India	16	Romania	1
Australia	30	Ireland	4	Russia	12
Austria	2	Israel	1	Saudi Arabia	1
Brazil	31	Italy	25	Singapore	4
Canada	12	Japan	15	Spain	1
Czech Republic	5	Netherlands	40	Switzerland	11
France	13	Northern Mariana Islands	4	Turkey	2
Georgia	1	Norway	1	United Arab Emirates	1
Germany	5	Pakistan	3	United Kingdom	130
Greece	2	Poland	6	Uruguay	3
Hong Kong	1	Puerto Rico	3	USA	198

Comments to the financial statements

Sales and earnings

Net sales in Q3 2022 totalled 41.3 MSEK, compared to 23.3 MSEK in Q3 2021, a 78% increase in revenue. US revenue is up 34% compared to Q3 2021. The company is still experiencing some supply chain related effects, and has been working on strengthening its supply chain to reduce risk.

In Q3 2022, EBITDA is recorded at a profit of 5.6 MSEK. This compares to an EBITDA loss of -1.3 MSEK for Q3 2021. This is due to the revenue growth that we have seen as a result of the investments made in previous quarters. Furthermore, the cost base has now stabilised.

Operating profit in Q3 was 796 TSEK. 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 30 MSEK.

Included within the financial items is a currency gain of 4 MSEK for Q3 2022 compared to a loss of -713 TSEK in Q3 2021.

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

Cash flow

The continued increase in net sales led to a negative operating cash flow of -3.1 MSEK, related to increased accounts receivables.

Financial position

There is a decrease in the group's liabilities to 51.2 (58.3) MSEK on 30 September, of which 19.7 (36.3) MSEK is interest bearing. The increase since the previous quarterly report is due to an increased utilisation of credit, in order to be able to match the order book, with the aim of replenishing the stock levels.

Cash on hand is 48.6 MSEK.

Employees

As of 30 September 22, the Group had a total of 76 employees, 1 by Paxman AB, 64 by Paxman Coolers Ltd and 11 by Paxman US, Inc. As of 30 September 2021, the Group had a total of 63 employees, of whom 1 by Paxman AB, 55 by Paxman Coolers Ltd and 7 by Paxman US, Inc.



AFFIRMATION

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

Karlshamn, 18 November 2022

Paxman AB (publ)

Per-Anders Johansson	Chairman of the Board
Maria Bech	Director of the Board
Robert Kelly	Director of the Board
Björn Littorin	Director of the Board
Glenn Paxman	Director of the Board
Richard Paxman	C.E.O. and Director of the Board

**For further information, please contact
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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 08:00 CET on 18 November 2022.

Parent company

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

Accounting principles

Paxman AB (publ) applies the accounting principles of BFNAR 2012:1 (K3), which are also the accounting and reporting principles used in the Group's annual report. No adjustments have been made to these accounting principles since Paxman's latest annual report was published.

This interim report has not been reviewed by the Group's auditors.

Consolidated income statement (condensed)

TSEK	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Jan–Dec 2021
Net sales	41,338	23,269	105,175	66,884	96,202
Capitalized expenses	2,034	1,594	6,395	6,229	8,506
Total operating income	43,372	24,863	111,570	73,113	104,708
Raw materials and consumables	-13,433	-9,799	-39,067	-28,801	-40,190
Other operating expenses	-11,699	-7,516	-34,343	-22,310	-29,083
Personnel costs	-12,682	-8,829	-35,149	-23,353	-32,553
Total operating costs	-37,814	-26,144	-108,559	-74,464	-101,826
EBITDA	5,558	-1,281	3,011	-1,351	2,882
Depreciation	-4,762	-3,514	-12,993	-9,613	-13,469
Operating profit/loss	796	-4,795	-9,982	-10,964	-10,587
Net financial items	3,861	-445	9,078	-408	-2,083
Profit/loss after net financial items	4,657	-5,240	-904	-11,372	-12,670
Tax	-5	-12	-50	-77	-106
Net profit/loss for the period	4,652	-5,252	-954	-11,449	-12,776

Consolidated balance sheet (condensed)

TSEK	Jul–Sep 2022	Jul–Sep 2021	Jan–Dec 2021
Assets			
Intangible fixed assets	19,771	15,385	16,364
Tangible fixed assets	48,353	34,945	35,886
Financial fixed assets	7,889	6,228	6,426
Total fixed assets	76,013	56,558	58,676
Inventories	23,643	16,869	18,111
Current receivables	28,319	15,145	17,288
Cash and bank balances	48,614	26,380	72,266
Total current assets	100,576	58,394	107,665
Total assets	176,589	114,952	166,341
Equity and liabilities			
Shareholders' equity	123,899	55,933	125,755
Total equity	123,899	55,933	125,755
Provisions for taxes	957	713	939
Total provisions	957	713	939
Liabilities to credit institutions	4,632	25,501	5,826
Non-current liabilities	4,632	25,501	5,826
Liabilities to credit institutions	15,120	10,800	11,328
Accounts payable	21,142	15,350	16,506
Other current liabilities	10,839	6,655	5,987
Current liabilities	47,101	32,805	33,821
Total equity and liabilities	176,589	114,952	166,341

Consolidated statement of cash flows (condensed)

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Cash flow from operating activities	-3,162	800	2,620	-5,807	-4,792
Cash flow from investing activities	-11,103	-6,900	-28,868	-18,021	-23,796
Cash flow from financing activities	6,031	-2,513	2,597	46,631	97,277
Cash flow for the period	-8,234	-8,613	-23,651	22,803	68,689
Cash and cash equivalents, opening balance	56,848	34,993	72,266	3,577	3,577
Cash and cash equivalents, closing balance	48,614	26,380	48,614	26,380	72,266

Consolidated changes in equity (condensed)

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Dec 2021
Opening balance as of 1 January	125,755	10,889	10,889
New share issue	-	58,560	135,560
Share issue costs	-	-2,928	-7,206
Translation gains/losses on consolidation	-1,138	507	-1,184
Equity-settled share-based payment transaction	236	354	472
Profit/loss for the period	-954	-11,449	-12,776
Closing balance	123,899	55,933	125,755

Key ratios

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating margin, %	0.02	Neg	Neg	Neg	Neg
EBITDA (TSEK)	5,558	-1,281	3,011	-1,351	2,882
Equity/assets ratio, %	70.2%	48.7%	70.2%	48.7%	75.6%
Liquid assets, net (TSEK)	28,862	-9,921	28,862	-9,921	55,112
Market capitalization (TSEK)	794,723	845,400	794,723	845,400	1,235,813

Parent company income statement (condensed)

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	471	-	1,207	-	219
Other operating income	-	5	-	5	25
Total operating income	471	5	1,207	5	244
Raw materials and consumables	-153	-	-433	-	-
Other external costs	-843	-822	-2,714	-1,853	-3,526
Personnel costs	-200	-252	-729	-340	-890
Total operating costs	-1,196	-1,069	-3,876	-2,188	-4,416
EBITDA	-725	-1,069	-2,669	-2,188	-4,172
Depreciation	-6	-2	-12	-2	-8
Operating profit/loss	-731	-1,071	-2,681	-2,190	-4,180
Net financial items	309	-78	843	-376	-496
Profit/loss after net financial items	-422	-1,149	-1,838	-2,566	-4,676
Tax	-	-	-	-	-
Net profit/loss for the period	-422	-1,149	-1,838	-2,566	-4,676

Parent company balance sheet (condensed)

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Dec 2021
Assets			
Tangible fixed assets	45	68	62
Investments in Group companies	26,937	26,583	26,701
Total fixed assets	26,982	26,651	26,763
Receivables from Group companies	88,520	60,445	67,677
Other current receivables	1,233	915	1,151
Cash and bank balances	46,036	23,137	69,419
Total current assets	135,789	84,497	138,247
Total assets	162,771	111,148	165,010
Equity and liabilities			
Shareholders' equity	162,223	91,876	163,825
Total equity	162,223	91,876	163,825
Liabilities to credit institutions (non-current liabilities)	-	18,667	-
Total long-term liabilities	-	18,667	0
Other current liabilities	217	280	404
Accrued costs and prepaid income	331	325	781
Total current liabilities	548	605	1,185
Total equity and liabilities	162,771	111,148	165,010

Data per share

	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Jan–Dec 2021
Earnings per share, SEK ¹⁾	0.24	-0.30	-0.05	-0.65	-0.73
Earnings per share, SEK, diluted ²⁾	0.24	-0.30	-0.05	-0.65	-0.73
Equity per share, SEK ¹⁾	6.52	3.18	6.52	3.18	6.61
Cash flow from operating activities per share, SEK ¹⁾	-0.17	0.05	0.14	-0.33	-0.27
Share price on closing day, SEK	41.8	48.0	41.8	48.0	65.0
Number of shares on closing day	19,012,500	17,612,500	19,012,500	17,612,500	19,012,500
Number of shares on closing day, diluted ²⁾	19,080,978	17,680,978	19,080,978	17,680,978	19,080,978
Number of shares, weighted average in the period	19,012,500	17,612,500	19,012,500	17,345,833	17,470,833
Number of shares, weighted average in the period, diluted ²⁾	19,080,978	17,680,978	19,080,978	17,414,311	17,539,311

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 September 30, 2022, the company had an outstanding option program, aimed at employees at the subsidiary Paxman Coolers Limited in Huddersfield. The decision to issue warrants was made at the Annual General Meeting on May 23, 2019, and the warrants were issued immediately thereafter. A total of 68,478 warrants have been issued, with the accompanying right to subscribe for a maximum of 68,478 new shares in the company.

The options entitle the holders to subscribe for shares from and including June 2020 and up to and including June 2029, at a subscription price of SEK 65.37 per share. Upon full utilization, the dilution effect amounts to 0.4% of the total number of shares in the company. The warrants have been issued free of charge and the benefit has thus, in accordance with current accounting principles, been valued at market value. In total, Paxman Coolers Ltd's personnel costs will thus be charged with SEK 1.4 million over three years (without any cash flow effect), with the last adjustment date being June 30, 2022.

OTHER INFORMATION

About Paxman

We are global leaders in scalp cooling and cryotherapy, on an ambitious journey to change the face of cancer. Together, we can make a difference.

Paxman have been pioneering scalp cooling technology to help prevent chemotherapy-induced alopecia worldwide for over 20 years. The Paxman Scalp Cooling System is the market leading scalp cooling system. Presently, the system is used at a large number of cancer centres and hospitals in Europe, North-, Central- and South America, Asia and Oceania, and more installs are added continuously. The company is also developing a medical cooling and compression device to prevent nerve damage in hands and feet in connection with chemotherapy (CIPN).

The company was founded as a family business by Glenn Paxman following his wife Sue Paxman's hair loss in connection with chemotherapy treatment. Glenn realised that there were shortcomings in the existing methods for scalp cooling and developed a liquid-based system, together with his brother. Today, Glenn and Sue's son Richard Paxman is the CEO of Paxman, and their daughter Claire Paxman holds the position as the company's Brand Ambassador & Director of Global Training.

Their understanding of how important it is for cancer patients to keep their hair, and thereby a certain amount of control over their daily lives, is reflected in all of Paxman's business operations. The company's vision is to make the technology available for all cancer patients worldwide.

During the last ten years, Paxman has invested substantially in research and development, and then also on a target-focused global expansion. 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.



Research and development

Paxman is committed to an ambitious research and development program, allowing the company to continuously refine the efficiency and user-friendliness of its scalp cooling system. Since the beginning of 2019, a portable compression and cooling product is also under development. This product is aimed at preventing chemotherapy-induced peripheral neuropathy (CIPN), a related indication causing chronic nerve damage in hands and feet.

A significant share of Paxman's research and development program is conducted in collaboration with a multidisciplinary research team at the University of Huddersfield. The research team has expert knowledge in relevant areas, including biological and chemical research on hair follicles and product development. In February 2019, the collaboration was formalised into the Paxman Scalp Cooling Centre, the world's first multidisciplinary research centre focused on scalp cooling.

Paxman's research collaboration agreement with National University Hospital, Singapore for the development of a portable cooling and compression device, to prevent CIPN, continued to achieve substantial progress in 2021. In May, the project received a research grant of 1.57 million SGD from National Research Foundation (NRF) in Singapore. Thereafter, a clinical trial was initiated with National University Hospital, Singapore, in collaboration with The N.1 Institute for Health, National University of Singapore to evaluate the system with healthy volunteers and cancer patients. This pilot trial in Singapore has now completed recruitment. Results from the pilot study have been positive – patients have reported efficacy of the Paxman Limb Cryocompression System (PLCS) in helping to prevent chemotherapy-induced peripheral neuropathy, and there have been no chemotherapy dose reductions due to the onset of CIPN in any of the 15 cancer patients. Moving forward, the study is entering the second expansion phase to recruit a larger patient population in preparation for plans to obtain Health Science Authority approval for the PLCS device in Singapore.

“The company’s vision is to make the technology available for all cancer patients worldwide.”

During the first five years, the parties will invest a total of 12 MSEK in liquid funds, personnel, and other resources in the centre. Paxman's investment during the first year was covered by a partly EU-funded grant of 1.2 MSEK. In 2021, a further 600,000 GBP (7.1 MSEK) grant was awarded to the centre.

Together, the University of Huddersfield and Paxman are leading exciting and important multi-disciplinary scalp cooling and hair follicle research.

The aim of the Research and Innovation Centre is to be a global leader in its field, pushing the boundaries of human knowledge, while also developing cutting-edge products. Creating the best possible outcome for the patient will always be its first priority.

The Centre's three main areas of focus are:

1. Biological research using the most clinically relevant in vitro models, specifically cultivated human hair follicles. Learn more about the mechanisms of scalp cooling.
2. Development of a topical product with the potential to substantially enhance the effect of scalp cooling.
3. Development of an individual 3D-printed eco-friendly cooling cap, ready for mass production.

A larger randomized phase 3 efficacy study has now been approved in the USA. The study, S2205, Ice Compress: Randomized Trial of Limb Cryocompression Versus Continuous Compression Versus Low Cyclic Compression for the Prevention of Taxane-Induced Peripheral Neuropathy will take place with the Paxman Limb Cryocompression System across the USA in a minimum of 25 locations and begin in early 2023. This trial is part of the National Clinical Trials Network (NCTN) program, which is sponsored and funded by the National Cancer Institute (NCI). The trial will be led by SWOG with the participation of the network of NCTN organizations: Alliance for Clinical Trials in Oncology; ECOG-ACRIN Cancer Research Group; and NRG.

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.

Scalp Cooling in MBC

Location: Dana-Farber Cancer Institute

This study is a prospective, controlled, pivotal clinical investigation to assess the efficacy of the Paxman Scalp Cooling System (PSCS) at preventing hair loss in people undergoing treatment for metastatic breast cancer with either Sacituzumab govitecan (IMMU-132 or Trodelvy™), trastuzumab deruxtecan (DS-8201a or Enhertu®), or Eribulin (Halaven®). Participants will receive study treatment with scalp cooling with standard of care chemotherapy treatment and will be followed for 2-4 weeks after completion of treatment with chemotherapy. It is expected that about 120 people will take part in this research study.

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

Scalp Cooling for Chemotherapy-Induced Alopecia in Patients of Color

Location: Montefiore Medical Center

The purpose of this study is to evaluate hairstyling techniques aimed at increasing efficacy of scalp cooling in the prevention of chemotherapy-induced alopecia, determine scalp cooling effect on persistent chemotherapy-induced alopecia, and elucidate molecular mechanisms and predictive biomarkers associated with scalp cooling success in patients with skin of color receiving chemotherapy for breast or non-small cell lung cancer.

This study is being conducted because prior studies have found scalp cooling to be highly effective in preventing hair loss resulting from chemotherapy. However, minority representation was largely limited in completed trials. A recent study found that scalp cooling devices are less efficacious in patients of color, likely because patients of color have hair is predominantly types 3 (curly) and 4 (kinky), which tend to become bulkier when wet and can interfere with scalp cooling cap fitting. The investigators plan to test two techniques aimed at improving scalp cooling efficacy in patients of color through hairstyling methods that minimize hair volume in order to increase cooling cap to scalp contact: 1) cornrows/braids/twists or 2) water/conditioner emulsion on hair. Preliminary data shows that breast cancer patients with type 3 or 4 hair receiving taxane chemotherapy and scalp cooling using these techniques to prepare the hair for scalp cooling cap fitting all

experienced hair preservation. Additionally, the investigators will also assess persistent chemotherapy-induced alopecia outcomes and incidence by following patients up to 6 months after completing treatment. Finally, specific gene expression changes in taxane-induced chemotherapy-induced alopecia in vitro have been described previously. The investigators will test the hypothesis that scalp cooling reverses such changes in chemotherapy-induced alopecia, assess for biomarkers predictive for scalp cooling success, and investigate persistent chemotherapy-induced alopecia molecular mechanisms using non-invasive transcriptome sequencing on plucked hair follicles. Estimated enrolment is 30 participants.

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

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

Location: Memorial Sloan Kettering Cancer Center

This study is conducted to determine if using the Paxman Scalp Cooling System at temperatures lower than the current standard is a safe and tolerable approach to prevent hair loss in breast cancer patients receiving chemotherapy.

This is a single-center, prospective study to evaluate the safety and tolerability of lower temperature (-7.5°C and -10°C) of the Paxman Scalp Cooling System (PSCS) to prevent alopecia resulting from adjuvant anthracycline plus cyclophosphamide and paclitaxel (AC-T) regimens in patients with newly diagnosed stage I-III breast cancer.

The primary objective of this study is to assess the safety and tolerability of the PSCS at lower temperatures (-7.5°C, -10°C) in preventing chemotherapy-induced alopecia (CIA) in women with newly diagnosed early stage breast cancer receiving adjuvant doxorubicin plus cyclophosphamide (AC) followed by paclitaxel (T) at the completion of AC and T, which will be determined by the ability of patients to complete scalp cooling without any dose-limiting toxicities (DLT) during the 16-20 week period. Estimated enrolment 34 patients.

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



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

Location: Samsung Medical Center, Seoul

Adjuvant chemotherapy decreases the risk of recurrence. However, it has distressing side effects, including alopecia. Chemotherapy-induced alopecia (CIA) is a common and distressing side effect of many chemotherapy drugs. In previous studies, more than half of the breast cancer patients experienced higher distress due to CIA during cancer treatment, and this distress was strongly associated with negative body image, overall health status, and psychosocial well-being. Recently scalp cooling has been known to be one of the effective options for hair loss prevention. However, there was little information regarding the effect on prevention of permanent CIA (PCIA). This study aims to examine the impact of scalp cooling on prevention of PCIA as well as CIA.

Female adults who are newly diagnosed with stage 1-3 breast cancer and aged less than 70 years will be screened for plan of undergoing Adriamycin or/and Taxane regimen as neoadjuvant or adjuvant chemotherapy. Eligible patients will be randomly assigned to intervention or control groups (2:1 ratio). Patients in the intervention group will have applied scalp cooling during 4 or 6 cycles of their chemotherapy whereas participants in the control group will be observed.

The objective of the study is to examine whether Paxman scalp cooling system is effective in reducing PCIA in women with breast cancer undergoing neoadjuvant or adjuvant chemotherapy. In addition, impact of Paxman scalp cooling on prevention of CIA, alopecia-related distress, quality of life and patient-reported alopecia related side effect will be also explored. Estimated enrolment is 170 patients.

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

Alopecia Prevention Scalp Cooling in Chinese Breast Cancer Patients

Location: Chinese University of Hong Kong

The Orbis Paxman Hair Loss Prevention System is a new equipment introduced to Hong Kong in 2017. Although this device has been widely used in the United States, Europe and Australia, acceptability, efficacy and safety data in Chinese have not yet been available. The objective of this prospective study is to collect clinical data in Chinese patients using the Orbis Paxman Hair Loss Prevention System to prevent chemotherapy-induced alopecia.

This project seeks to demonstrate that the Orbis Paxman Hair Loss Prevention System is safe and effective in reducing chemotherapy-induced alopecia in woman with breast cancer undergoing neoadjuvant or adjuvant chemotherapy. Estimated enrolment 100 patients.

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

Study Of Cold Cap Therapy For Prevention of Hairloss in Pediatric Patients Receiving Chemotherapy For Non-Malignant Indications and Solid Tumors

Location: St. Jude Children's Research Hospital

This study is conducted to see if the Paxman scalp cooling device can prevent hair loss in pediatric patients receiving chemotherapy for non-cancerous conditions or solid tumors.

The primary objective is to assess the safety and feasibility of the use of a scalp cooling device in pediatric and young adult patients receiving chemotherapy for non-malignant conditions and solid tumors.

Exploratory objectives for the study are to assess the incidence and intensity of chemotherapy induced hair loss in patients receiving chemotherapy for non-malignant conditions and solid tumors who have used a scalp cooling device.

Estimated enrolment of 40 participants.

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

Reimbursement and related activities

Paxman is working intensely with specialised reimbursement consultants to influence major insurance companies and decision-making bodies. These include the AMA, and in October 2020 Paxman was able to announce that the AMA will implement a specific CPT code for scalp cooling that was available to use in July 2021. The company was also engaged in efforts to include scalp cooling in the NCCN's national cancer care guidelines in the USA, which was achieved in March 2019. In March 2020, NCCN included scalp cooling in their guidelines for ovarian cancer, fallopian tube cancer and primary peritoneal cancer. At the beginning of January 2021, it was announced that the AMA has issued two separate CPT® codes for "mechanical scalp cooling". The CPT® Category III codes are 0662T and 0663T, and they came into effect on July 1, 2021. These achievements are expected to quickly and efficiently increase the number of patients offered access to scalp cooling. Additionally, Paxman is supporting initiatives to promote legislation on the state level which makes it mandatory for health care plans to cover scalp cooling costs.

As Paxman announced in its 2 November, 2021 press release, the Centers for Medicare & Medicaid Services (CMS) issued its Medicare CY 2022 Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs Final Rule ("HOPPS Final Rule"). In this HOPPS Final Rule, CMS announced that it was reassigning CPT code 0662T, which is for "Scalp cooling, mechanical; initial measurement and calibration of cap," to a higher reimbursement Ambulatory Payment Classification for hospitals. As of 1 January 2022, hospitals can bill for their services of "Scalp cooling, mechanical; initial measurement and calibration of cap" once per chemotherapy treatment period using CPT Code 0662T and they should be reimbursed under APC 1520 at a rate of 1,850.50 USD, with 80% being paid by Medicare and 20% being paid by the patient. In November 2022, CMS reconfirmed this decision for calendar year 2023.

In May 2022, Paxman launched its new buy and bill business model in the USA. This is an important step to allow the billing of CPT codes and reimbursement. With Paxman now offering full hub services the Paxman Hub will assist providers to bill their patients' insurance company. Providers under this new business model will receive support via the Paxman Hub to:

- 1) Verify patient insurance benefits,
- 2) Identify information if required for a Prior Authorization Submission and Appeal, and
- 3) Determine patient eligibility the company's Patient Assistance Program (please see below for more detail).

The Paxman Patient Assistance Program

The company has also launched its Patient Assistance Program to ensure that there is an equitable approach to providing care across the USA. The Paxman Patient Assistance Program (PAP) is available when facilities are contracted under the new business model. The PAP assists patients who:

- Are uninsured or underinsured
- Live in the United States
- Live in a household with a combined income at or below a generous percentage of the US Federal Poverty Level

In addition to promoting payer coverage, Paxman is also supporting other initiatives to finance scalp cooling for patients who are unable to pay for their own treatment. This includes a close collaboration with HairToStay, an organisation that contributes financially to patients who cannot afford to pay for scalp cooling themselves. In honour of Sue Paxman, the parties have started a separate fund in her name specifically aimed at mothers with very low income.



General targets and outlook

Paxman's long-term goal is that all patients undergoing chemotherapy shall have access to scalp cooling, no matter their financial situation, gender, ethnicity, tumour or chemotherapy type, and that the Paxman Scalp Cooling System is the obvious first choice for cancer patients all over the world.

The company is the superior global market leader with nearly 5,000 sold and/or installed systems in Europe, North-, Central- and South America, Asia and Oceania. In addition to the United States, Asia is becoming an increasingly important region for Paxman, with Japan as the single leading market.

Paxman received market approval (Shonin) in Japan for use in connection with treatment of solid tumours like breast cancer in March 2019, and extensive marketing activities were then initiated together with the distributor CMI. With a recurring revenue model launched, Japan is set to be a strong growth market in the future. In addition to Japan, Paxman is already established in additional Asian markets such as India, Malaysia, Singapore and Pakistan, and the company is finalising a distribution agreement with Concord Medical for a market launch on the very large Chinese market.

To further increase the global growth rate, Paxman's commercialisation strategy for 2022 continues to focus on strengthening the company's sales organization with direct presence as well as new and established distribution partners in key regional markets including China, India, Europe and the Middle East, supported by enhanced marketing support based in the UK. Paxman will also advance the company's reimbursement strategy in the USA, capitalising on the recent positive CPT III code publication, and continue to invest in its R&D pipeline.

Paxman will also continue the transition from selling equipment to clinics to the new business model that generates income for each treatment. The business model is fully implemented in the United States, and a similar model is used in Mexico in collaboration with the licensing partner Teva, as well as in Canada. A modified model is used in Japan where the company sells scalp cooling systems to the distributor and receives payment for each personal cooling cap sold. This model is also gradually implemented in additional markets when the company is able to start offering its latest PSCS model.

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 2021 (pages 51-53). An English translation of this segment is available upon request.

The share

The Paxman share is listed on Nasdaq First North Growth Market since 12 June 2017. The share's trading name is PAX, its ISIN code SE0009806284 and its LEI code 549300OT2V7Q4IDX8X68. The share capital in the company amounted to SEK 19,012,500 split on 19,012,500 shares on September 30, 2022, 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 September 2022, the 10 largest shareholders held 76.62% of all issued shares. At this time, Paxman had a total of 1,159 individual shareholders.

Annual general meeting 2023

The next AGM of Paxman AB (publ) will be held in Karlshamn, Sweden, on 24 May 2023 at 15:00 CEST. The AGM will be held in premises adjacent to the company's head office at Pirgatan 13, NetPort, Karlshamn.

Nomination committee

For the 2023 AGM, the Nominating Committee was appointed during the autumn of 2022 based on the 5 largest shareholders on the last business day of September 2022. For the 2023 AGM, the Nominating Committee is comprised of the following three members:

- Roger Johansson, Committee Chairman representing CIMON Venture Trust AB
- Glenn Paxman, Board member and majority shareholder
- Daniel Albin, representing Creades

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

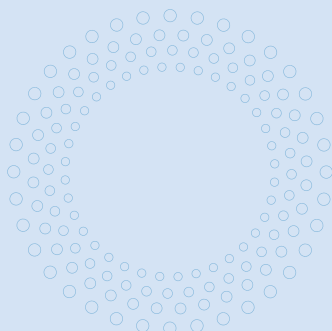
Corporate information

Paxman AB (publ), corporate identity number 559079-3898, has its statutory seat in Karlshamn, Sweden, at Pirgatan 13, SE-374 35 KARLSHAMN. Production and sales are carried out by the UK subsidiary Paxman Coolers Limited, International House, Penistone Road, Fenay Bridge, HD8 0LE Huddersfield, United Kingdom. The Group also has a subsidiary in the US; Paxman US, Inc, based in Houston, Texas. Paxman Coolers Limited and Paxman US, Inc are both wholly owned subsidiaries of Paxman Group Limited, in its turn a fully owned subsidiary of Paxman AB (publ).

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TOGETHER,
WE CAN MAKE
A DIFFERENCE





FINANCIAL CALENDAR

Year end report 2022		24 February 2023
Interim report as of 31 March 2022		24 May 2023

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

Here you will also find Paxman's newsletter,
published on a monthly basis.

A dark blue world map is centered in the background of the page. The map shows the outlines of continents and oceans in a slightly lighter shade of blue.

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