

»In the fourth quarter, it took off«

- Strong sales growth in the US and Europe
- Continued high number of ongoing or contracted trials
- More than 1,000 TetraGraph® monitors now delivered

Calendar 2022

Interim Report Q1: May 5

AGM: May 18

Interim Report Q2: July 15

Interim Report Q3: November 10

Contact

Pia Renaudin, CEO

Tel. +46 (0)18 51 56 40

Mobil +46 (0)707 133 417

e-post: pia.renaudin@senzime.com

Erik Bergman, CFO

Tel. +46(0)18 51 56 40

Mobil +46(0)732 588 159

e-post: erik.bergman@senzime.com

Adress

Senzime AB

Ulls väg 41

756 51 Uppsala, Sweden

www.senzime.com

October - December 2021

- Net sales amounted to SEK 3,717 thousand (3,494).
- Gross margin before depreciation was 45.4 percent (43.0).
- Income after financial items was SEK -24,366 thousand (-15,570).
- Earnings per share amounted to SEK -0.38 SEK (-0.26).
- Cash and cash equivalents amounted to SEK 74.9 million (160.3) on December 31.
- The number of shares as of December 31 was 62,493,290 (62,493,290).

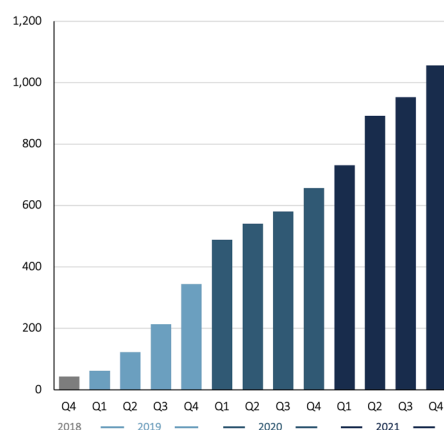
January - December 2021

- Net sales amounted to SEK 10,980 thousand (9,337).
- Gross margin before depreciation 54.3 percent (40.9).
- Income after financial items was SEK -84,289 thousand (-48,991).
- Earnings per share amounted to SEK -1.31 (-0.84).

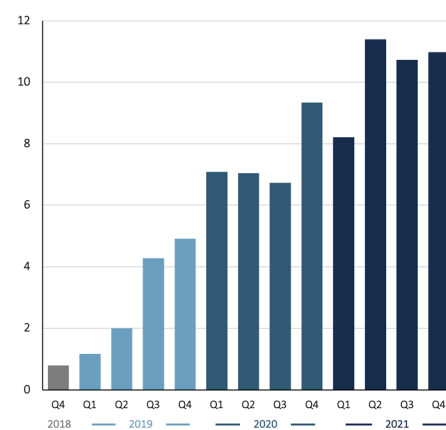
SEK of thousands	Oct-Dec 2021	Oct-Dec 2020	Full yr. 2021	Full yr. 2020
Net sales	3,717	3,494	10,980	9,337
Income after financial items	-24,366	-15,570	-84,289	-48,991
Earnings per share (SEK)	-0.38	-0.26	-1.31	-0.84
Gross margin before depreciation(%)	45.4	43.0	54.3	40.9
Operating profit before depreciation	-21,561	-12,230	-73,303	-37,148
Equity/assets ratio (%)	86.3	89.4	86.3	89.4

Figures in parentheses above describe the corresponding period last year. Unless otherwise stated, all information relates to the Group.

Development of delivered TetraGraph monitors⁽¹⁾



Quarterly sales development (RTM MSEK)⁽²⁾



Note: 1) Includes monitors sold through direct and distributor sales, Fukuda and monitors placed at customer sites; 2) Excludes Fukuda milestone payments.

Significant events during the period

January 14: ESTABLISHMENT OF OPERATIONS IN GERMANY

Recruitment of Country Manager and Regional Clinical Manager is carried out. Katholisches Klinikum Bochum University Hospital places the first order for TetraGraph® systems.

March 4: TETRASENS® DISPOSABLE SENSOR RECEIVES RIGHT TO STATE COMPENSATION IN SOUTH KOREA

As of March 1, 2021, south Korea's state health care system will reimburse the use of Senszime's TetraSens® disposable sensors in anesthesia using muscle relaxants in patients with ASA-PS 3 or higher.

March 10: INTERNATIONAL MULTICENTER STUDY PROVES VALUE OF SENZIME'S TETRAGRAPH®

A clinical study of 120 patients conducted by the Mayo Clinic Jacksonville, USA, the University of Debrecen, Hungary and NorthShore University Health System, Chicago, USA, is published in the Journal of Clinical Anesthesia. The study confirms the value of EMG technology vs. AMG technology.

April 20: EXPANDED COMMERCIAL CAPACITY IN THE UNITED STATES

Senzime continues its expansion in line with its commercial strategy through the recruitment of additional sellers and the signing of a distribution agreement with Mercury Medical Enterprises, Inc.

May 11: ANNUAL GENERAL MEETING

At Senszime's Annual General Meeting, the current Board of Directors was re-elected. A decision was made on the Nomination Committee for the next Annual General Meeting. Rules for remuneration to senior executives was adopted and new articles of association was adopted. Resolutions were made on authorization of new shares and a new incentive program.

May 22: NEW GUIDELINES CALL FOR NEUROMUSCULAR QUANTITATIVE MONITORING

Senzime announces that the Association of Anaesthetists has issued new guidelines for quantitative monitoring of neuromuscular blockade in the UK and Ireland. The guidelines state, among other things, that quantitative monitoring must be available in all operating rooms and be used on all patients receiving muscle-blocking drugs.

June 30: SENZIME LISTED ON NASDAQ STOCKHOLM SMALL CAP

On June 23, 2021, Nasdaq Stockholm's Corporate Committee approved Senszime's application to take the company's shares into trading on Nasdaq Stockholm Main Market. The first day of trading was June 30.

September 13: STUDIES SHOW FINANCIAL SAVINGS AND PATIENT BENEFITS OF EMG TECHNOLOGY

Recently published studies show that EMG monitoring can help reduce serious complications when using muscle-relaxing drugs, while introducing quantitative neuromuscular monitoring results in a net cost saving by reducing respiratory complications.

October 15: SENZIME ATTENDS THE ANNUAL MEETING OF THE AMERICAN SOCIETY OF ANESTHESIOLOGISTS

Senzime's TetraGraph® system received a lot of focus at the annual U.S. anesthesia meeting. A study conducted with TetraGraph® was named the editor's choice of their journal Anesthesiology and four TetraGraph® studies were presented. Two of these focus on use in children, one when used on different muscle groups and a prospective study for operations where the patient's arm is immobilized.

December 6: SENZIME CERTIFIED IN ACCORDANCE WITH MDR

Senzime announces that the company's products as well as Senszime's quality system and manufacturing facility have been certified in accordance with the new European Regulation on Medical Devices (MDR).

December 22: SENZIME RECRUITS NEW CFO

Senzime today announces that the company's CFO Erik Bergman will retire in the spring and hand over to Slavoljub Grujicic, who will take over as the company's CFO during the first quarter of 2022.

Significant events after the end of the fourth quarter

January 3: SENZIME WINS PROCUREMENTS AT 16 HOSPITALS IN Q4

Senzime announces in a business update that 16 hospitals have moved ahead with purchases in the fourth quarter – one hospital chose a competing product.

January 27: JAPANESE STUDY CONFIRMS BENEFITS OF TETRAGRAPH®

Senzime announces that a Japanese study published in the journal *Anesthesia & Analgesia* concludes that TetraGraph® EMG-based technology is a better indicator for assessing adequate reversal dose of the drug sugammadex and recovery of neuromuscular function than conventional monitoring with acceleromyography-based (AMG) product TOF-Watch SX.

February 1: EMPLOYEE STOCK OPTIONS ALLOTTED

The Annual General Meeting on May 11, 2021 resolved on an employee stock option program comprising 456,050 options, which may be allotted to employees – but not the CEO or those who are part of the company's management team. A total of 435,000 of these 456,050 options were allotted in February 2022. See also under Note 8. Employee stock option program.

February 4: PATIENT ORGANIZATION RECOMMENDS QUANTITATIVE MONITORING

Senzime announces that APSF, the Anesthesia Patient Safety Foundation, is revising its recommendations for patient monitoring and recommending quantitative monitoring when neuromuscular blocking drugs are given to patients.

February 10: CLINICAL EXPERTS TALK ABOUT THE IMPORTANCE OF MONITORING NEUROMUSCULAR BLOCKADE

Senzime announces that the patient safety organization APSF has released a Podcast that emphasizes the importance of monitoring neuromuscular blockade as this is as important as monitoring blood pressure, oxygenation and ventilation during anesthesia care.



In the fourth quarter, it took off

In the fourth quarter, we saw strong sales growth in the US, which more than doubled compared to the same quarter last year. For the full year 2021, U.S. growth was more than 200 percent and the market accounted for 38 percent of our total sales. Sales in Europe also showed good growth and the increase for the full year amounted to 52 percent.

Senzime's total sales more than doubled in the fourth quarter of the year compared to the third. Total sales growth during the full year 2021 amounted to 18 percent. The reason total sales was not higher is due to the fact that our distributor in South Korea placed a larger order in December 2020 and has delivered from its warehouse in 2021. However, we expect renewed orders from South Korea shortly.

The installed base of TetraGraph® – which in turn drives sensor sales – continues to grow and in total Senzime has now delivered more than 1,000 monitors to customers and distributors. Globally, sales of the number of TetraSens® sensors for the full year 2021 amounted to approximately 45,000.

In the UK and Germany, interest in TetraGraph® is very strong, both from large university hospitals and from smaller hospitals. The number of trials is steadily increasing and since our last quarterly reporting we have won procurements at another 10 hospitals in Europe. Senzime's German sales organization is making great progress and we have won 13 trials and have nine more in progress.

By the end of 2021, we had ongoing or contracted trials at more than 74 hospitals worldwide. The total potential for these trials amounts to approximately 1,150 TetraGraph® systems. We also continue to win the majority of the trials – in the fourth quarter we won procurements at 16 out of 17 hospitals.

Based on the number of ongoing trials and the outcome of the latest procurements, we stand by our financial target of reaching sales of SEK 200 million in 2023 and achieving profitability. We also believe that a long-term target of a 10 percent market share in a market estimated to have annual sales of approximately SEK 15 billion remains highly relevant.



In order to increase our margins and improve efficiency, we have moved to in-house production during the fourth quarter, while both the production facilities as well as our products and quality systems were certified according to MDR, the new regulatory standard in Europe. An amazing job by the team!

In January and early February 2022, five university hospitals in the US decided to purchase TetraGraph® systems. We generally expect hospitals to now return to a more normal situation and start working off the long waiting lists for surgery. Optimizing patient flows will be very important in the future and we see that TetraGraph® has great opportunities to contribute to this as well. In addition to a cost and patient perspective, it is also important from a patient flow perspective to effectively measure and indicate when the patient has regained their muscle function.

With a fantastic product offering, a strong team and a great market need, I look forward with confidence to 2022!

Uppsala in February 2022
Pia Renaudin, CEO

About Senszime

Senzime develops and markets CE-marked and FDA-approved medical technology systems, powered by unique algorithms and disposable sensors that assess the patient's muscle function before, during and after anesthesia and surgery. The company's goal is to contribute to improved clinical precision and simplified management in healthcare. Senszime's system is called TetraGraph® and digitally and continuously measures the degree of neuromuscular blockade in order to pre-

vent complications. Fewer complications lead to less suffering for patients but also contribute to shorter hospital stays and reduced care costs. Senszime's vision is that TetraGraph® should be used in every operation where muscle relaxants are used, for a safe awakening for all patients.

Senzime's development portfolio also includes innovative, patient-oriented solutions that enable automated and continuous measurement of biological substances such as glucose and lactate in blood

and tissue fluids - CliniSenz® Analyzer and OnZurf® Probe.

Senzime operates in a globally growing market which today in Europe and the USA alone is valued at over SEK 15 billion annually. Today, Senszime has sales in 18 countries, of which the most important are the United States, Germany, France, Italy, the United Kingdom, Spain, Switzerland, South Korea and Japan. The company's shares are traded on the Nasdaq Stockholm Main list (ticker SEZI).

Senzime operates on an expansive market with potential value exceeding SEK 15 billion per year



USA and Canada
52 million surgical
procedures/year

Europe
64 million surgical
procedures/year

Asia and Oceania
50 million surgical
procedures/year

TETRASENS'S TOTAL MARKET

SEK **11.9** BILLION

TETRAGRAPH'S TOTAL MARKET

SEK **3.6** BILLION

Sources: Meta-analysis 2007, Global operating theatre distribution and pulse oximetry supply: an estimation from reported data. Funk et al. 2010, Centers for Disease Control and Prevention 2017, Steiner et al. 2017, Rose et al. 2014, An estimation of the global volume of surgery, Weiser et al. 2008, OECD, national databases, M. Naguib 2007, Ishizawa 2011, Number of surgical procedures (per 100,000 population), World Bank, Measuring surgical systems worldwide: an update, Kamali et al., 2018, National Hospital Discharge Survey, Centers for Disease Control and Prevention, 2010 together with Senszime company assumptions.

The share

Share capital development (SEK)

Date	Event	No. of shares	Share capital (SEK)	Quotient value (SEK)
January 1, 2021	Opening	62,493,290	7,811,661	0.125
Total December 31, 2021		62,493,290	7,811,661	0.125

Senzime-share price development (SEK)



Largest shareholders on December 31

Owner	Number of shares	Share of capital %
Crafoord family	9,111,736	14,6
Handelsbanken Fonder AB	4,661,314	7,5
Segulah Venture AB och AB Segulah	4,418,085	7,1
Pershing Llc.	3,765,535	6,0
Sorin J. Brull	3,233,528	5,2
TIN Ny teknik	3,000,000	4,8
Fjärde AP-fonden	2,700,000	4,3
Swedbank Robur Microcap	2,600,000	4,2
Familjen Lindskog	2,243,188	3,6
Stone Bridge Biomedical	2,172,030	3,5
Others	24,587,874	39,3
Total	62,493,290	100,0

Comments to the report

Revenue and profit fourth quarter of 2021

The Group's net sales in the fourth quarter of 2021 amounted to KSEK 3,717 (3,494), which corresponds to an increase of 6 percent compared to the previous year's fourth quarter. U.S. sales more than doubled. Sales in Europe also showed very good growth, while sales to South Korea were lower due to the distributor in South Korea placing larger orders in the fourth quarter of 2020.

The gross margin before depreciation was 45.4 percent in the fourth quarter, compared with 43.0 percent for the corresponding quarter last year. Gross profit was affected by one-off costs for inventory write-downs and if excluded, the gross margin was 52.0 percent for the quarter.

The Group's total overhead amounted to KSEK 23,774 (12,225). The establishment of the subsidiary Sensime, Inc. in the US with its own sales force, the start of Sensime GmbH in Germany, the change of share trading list and work on adaptations of the business to new regulatory requirements (MDR) have contributed to the cost increase. All cost increases are within plan.

Operating profit in the fourth quarter amounted to KSEK -24,333 (-15,537)

Revenue and profit January - December 2021

Net sales during the period January – December 2021 amounted to KSEK 10,980 (9,337), corresponding to growth of 18 percent compared to 2020. For the US, growth amounted to more than 200 percent and the market accounted for 38 percent of the Group's total sales. Sales in Europe also showed good growth and the increase for the full year was 52 percent.

The gross margin before depreciation amounted to 54.3 percent (40.9).

The Group's total overheads amounted to KSEK 80,235 (39,331). The construction of sales organizations in the US and Germany and the change of trading list for the company's share have resulted in increased costs. Work on adaptations of operations to new regulatory requirements (MDR) also contributed to the cost increase. All cost increases are within plan and in accordance with what has been communicated in connection with previous funding rounds.

Financial expenses consist essentially of interest expenses on lease liabilities.

Operating profit for the period amounted to KSEK -84,191 (-48,866).

Financial position

At the end of 2021, the Group's equity amounted to SEK 150.8 million (231.3). The equity/assets ratio was 86.3 percent (89.4). At the end of the period, the company's cash and cash

equivalents amounted to SEK 74.9 million (160.3). The company's cash and cash equivalents are expected to cover the needs of the business for the next 12-month period.

Cash-flow and investments

Cash flow from operating activities including changes in working capital amounted to KSEK -20,561 (-15,263) for the fourth quarter. The negative cash flow is mainly due to the negative result, but inventory build-up and hedging of raw materials for own production of TetraGraph® has also contributed.

Cash flow from investment activities for the fourth quarter amounted to KSEK -1,257 (-50). Investments during the period are largely due to the activation of development projects.

Cash flow from financing activities for the fourth quarter amounted to KSEK -351 (99,531). In December 2020, Sensime carried out a directed share issue, which generated a settlement of SEK 95 million after issue costs.

Cash flow from operating activities including changes in working capital for the period January - December amounted to KSEK -81,328 (-38,335). The negative cash flow is largely due to the negative result.

Cash flow from investment activities for the period January - December amounted to KSEK -2,974 (-327). Investments during the period are largely due to the construction of their own production premises.

Cash flow from financing activities for the period January - December amounted to KSEK -945 (167,689). In addition to the new share issue mentioned above, Sensime carried out a directed share issue in April 2020, which provided the company with SEK 69.1 million after issue costs.

Stock options

Subscription options

The Group has three employee stock option programs totaling 1,381,050 options. See Note 8 of this communiqué for detailed descriptions.

Warrants

Since May 2019, Pia Renaudin, Ceo, has held 400,000 Warrants. Each warrant entitles to subscription of one new share in the company at a price of SEK 12.00 with a redemption date no later than 7 May 2022.

Dilution

Based on the existing number of shares and outstanding personnel and warrants, the dilution as a result of the programs is calculated on the assumption that all options (including not yet allotted) are exercised for subscription of shares amount to a maximum of 2.8 percent.

Parent company and subsidiaries

Most of the Group's operations are conducted in the Parent Company. For comments on the parent company's results, please refer to the comments made for the Group.

The U.S. subsidiary Senszime, Inc. started its operational activities in the second quarter of 2020. Sales in the US are made both in-house and through local distributors.

In the first quarter of 2021, the German company Senszime GmbH started operations. The Group's two other subsidiaries hold only certain rights licensed to the Parent Company in the form of royalties.

Risks and uncertainties

A number of risk factors can have a negative impact on the operations of Senszime. It is therefore of great importance to take into account relevant risks in addition to the company's growth opportunities. An account of the Group's significant financial and business risks can be found in the Annual Report and in the Annual Report for 2020. No additional significant risks are expected to have been added.

Prospects

Like many other companies, Senszime has faced major challenges from the Covid-19 pandemic. The basic need for neuromuscular monitoring has not diminished, although surgeries have been postponed to accommodate and enable the availability of medical staff.

The pandemic has affected the number of trials in 2020 and 2021. Access to hospitals has varied by country. Senszime, however, has seen increased access to hospitals in recent weeks.

Based on the number of ongoing reviews and the outcome of the latest procurements, the company stands by its previo-

usly communicated financial target of reaching a sale of SEK 200 million in 2023 and achieved profitability. The company also believes that a long-term target of a 10 percent market share in a market estimated to have annual sales of approximately SEK 15 billion remains highly relevant.

Annual General Meeting

The Annual General Meeting will be held on May 18, 2022 at 4 p.m. in Uppsala. The annual report will be available to the public no later than 27 April 2022 at the company's office at Ulls väg 41, Uppsala. The annual report will also be published on the company's website www.senzime.com.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year.

Auditors report

This year-end report has not been reviewed by the company's auditor.

Change of stock trading list

The Nasdaq Stockholm's Corporate Committee approved Senszime's application to take the company's shares into trading on Nasdaq Stockholm's main market at a meeting on June 23, 2021. The first trading day was June 30, 2021.

The Board's assurance

The Board of Directors and the CEO declare that the year-end report provides a true and fair view of the parent company's and the Group's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

Uppsala, February 17, 2022

Philip Siberg
Chairman of the Board

Sorin J Brull
Director

Adam Dahlberg
Director

Lennart Kalén
Director

Eva Walde
Director

Pia Renaudin
Chief Executive Officer

Condensed Consolidated Statement of Comprehensive Income

SEK 000	Note	Oct-Dec 2021	Oct-Dec 2020	Full yr. 2021	Full yr. 2020
Net sales	2	3,717	3,494	10,980	9,337
Cost of goods sold	3	-4,801	-5,299	- 15,903	-17,236
Gross profit (loss)		-1,084	-1,805	-4,923	-7,899
Development expenses	4	-3,898	-2 499	-12,527	-8,187
Selling and marketing expenses	4	-13,338	-7,955	-39,533	-16,051
Administrative expenses	4,5,8	-6,538	-1,771	-28,175	-15,093
Other operating income		1,373	88	2,884	1,122
Other operating expenses		-848	-1,595	-1,917	-2,758
Earnings before interest and taxes		-24,333	-15,537	-84,191	-48,866
Financial expenses		-33	-33	-98	-125
Financial items—net		-33	-33	-98	-125
Profit(loss) after financial items		-24,366	-15,570	-84,289	-48,991
Income tax		594	378	2,146	1,547
Net profit (loss)		-23,772	-15,192	-82,143	-47,444
Other comprehensive income:					
<i>Items reclassifiable to profit or loss</i>					
Translation differences		-998	-312	-580	-36
Other comprehensive income for the period, net of tax		-998	-312	-580	-36
Total comprehensive income for the period		-24,770	-15,504	-82,723	-47,480

Net profit (loss) and total comprehensive income is wholly attributable to equity holders of the parent.

Earnings per share, based on net profit (loss) attributable to equity holders of the parent

SEK	Note	Oct-Dec 2021	Oct-Dec 2020	Full yr. 2021	Full yr. 2020
Weighted average no. of shares before dilution	6	62,493,290	58,743,123	62,493,290	56,199,776
Weighted average no. of shares after dilution	6	62,660,393	58,932,313	62,679,957	56,353,495
Earnings per share, basic and diluted	6	-0.38	-0.26	-1.31	-0.84

Condensed Consolidated Balance Sheet

SEK 000	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets		74,159	82,168
Property, plant and equipment		1,286	238
Rights of use		1,884	2,632
Other financial assets		1,735	0
Total non-current assets		79,064	85,038
Current assets			
Inventories and work in progress		9,036	3,950
Accounts receivable		4,936	3,285
Other receivables		5,452	5,868
Prepaid expenses and accrued income		1,272	442
Cash and cash equivalents		74,872	160,310
Total current assets		95,568	173,855
TOTAL ASSETS		174,632	258,893
EQUITY AND LIABILITIES			
EQUITY		150,782	231,346
LIABILITIES			
<i>Non-current liabilities</i>			
Appropriations		1,735	0
Lease liability		617	1,248
Deferred tax liability		9,712	11,858
Total non-current liabilities		12,064	13,106
<i>Current liabilities</i>			
Lease liability		1,017	1,148
Trade payables		3,941	4,718
Other current liabilities		1,870	5,450
Accrued expenses		4,958	3,125
Total current liabilities		11,786	14,441
TOTAL EQUITY AND LIABILITIES		174,632	258,893

Condensed Consolidated Statement of Changes in Equity

SEK 000	Attributable to equity holders of the parent company				Total equity
	Share capital	Other paid-up capital	Reserves	Retained earnings incl. net profit (loss)	
Opening balance, 1 January 2020	6,556	229,891	1,949	-128,428	109,968
Net profit (loss)				-47,444	-47,444
Other comprehensive income			-36		-36
Total comprehensive income	0	0	-36	-47,444	-47,480
Transactions with shareholders in their capacity as owners					
Employee stock options				-60	-60
New share issue	1,256	177,515			178,771
Expenses attributable to share issues		-9,853			-9,853
Total transactions with shareholders	1,256	167,662	0	-60	168,858
Closing balance, 31 December 2020	7,812	397,553	1,913	-175,932	231,346
Opening balance, 1 January 2021	7,812	397,553	1,913	-175,932	231,346
Net profit (loss)				-82,142	-82,142
Other comprehensive income			28	-407	-379
Total comprehensive income	0	0	28	-82,549	-82,521
Transactions with shareholders in their capacity as owners					
Employee stock options				1,957	1,957
Total transactions with shareholders	0	0	0	1,957	1,957
Closing balance, 31 December 2021	7,812	397,553	1,941	-256,524	150,782

Condensed Consolidated Statement of Cash Flows

SEK 000	Note	Oct-Dec 2021	Oct-Dec 2020	Full yr. 2021	Full yr. 2020
Cash flow from operating activities					
Earnings before interest and taxes		-24,333	-15,537	-84,191	-48,866
<i>Adjustment for non-cash items:</i>					
– Depreciation and amortization		2,800	3,434	10,987	11,901
– Other non-cash items		245	227	1,920	498
Tax paid		-44		-273	
Interest paid		-33	-33	-98	-124
Cash flow from operating activities before change in working capital		-21,365	-11,910	-71,655	-36,591
Cash flow from change in working capital					
Increase/decrease in inventories		-464	-1,683	-5,086	-1,513
Increase/decrease in trade receivables		-1,348	-1,583	-1,651	-755
Increase/decrease in other receivables		-808	-4,909	-413	-5,422
Increase/decrease in trade payables		1,341	1,512	-777	1,770
Increase/decrease in other payables		2,083	3,309	-1,746	4,176
Total change in working capital		804	-3,353	-9,673	-1,744
Cash flow from operating activities		-20,561	-15,263	-81,328	-38,335
Cash flow from investing activities					
Investments in tangible assets		-333	-50	-1 171	-192
Investments in intangible assets		-924	-	-1 803	-135
Cash flow from investing activities		-1,257	-50	-2,974	-327
Kassaflöde från finansieringsverksamheten					
Cash flow from financing activities		-351	-286	-945	-1 218
New share issue, net of transaction expenses		-	99 817	-	168 907
Cash flow from financing activities		-351	99,531	-945	167,689
Decrease/increase in cash and cash equivalents		-22,169	84,217	-85,247	129,027
Cash and cash equivalents beginning of period		97,436	75,707	160,310	30,898
Exchange rate differences in cash and cash equivalents		-395	385	-191	385
Cash and cash equivalents at end of period		74,872	160,310	74,872	160,310

Parent Company Income Statement

SEK 000	Note	Oct-Dec 2021	Oct-Dec 2020	Full yr. 2021	Full yr. 2020
Net sales	2	5,060	3,834	15,450	10,756
Cost of goods sold	3	-2,773	-2,355	-9,316	-7,670
Gross profit (loss)		2,287	1,479	6,134	3,086
Development expenses	4	-3,893	-2,499	-12,527	-8,187
Selling and marketing expenses	4	-18,358	-10,190	-28,173	-14,578
Administrative expenses	4,5,8	-7,082	-4,778	-37,994	-18,917
Other operating income		1,281	28	2,788	1,060
Other operating expenses		-1,019	-1,499	-2,085	-2,635
Earnings before interest and taxes		-26,784	-17,459	-71,857	-40,171
Financial expenses		-12	-	-14	-2
Financial items—net		-12	-	-14	-2
Profit(loss) after financial items		-26,796	-17,459	-71,871	-40,173
Net profit (loss)		-26,796	-17,459	-71,871	-40,173

There are no items in the parent company recognized as other comprehensive income, so total comprehensive income is equal to net profit (loss).

Parent Company Balance Sheet

SEK 000	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible non-current assets		18,579	18,527
Property, plant and equipment		984	238
Financial non-current assets		34,786	11,452
Total non-current assets		54,349	30,217
Current assets			
Inventories and work in progress		7,153	3,488
Trade receivables and other receivables		8,270	8,284
Receivables from group companies		3,180	1,529
Prepaid expenses and accrued income		1,329	711
Cash and bank balances		74,173	159,386
Total current assets		94,105	173,398
TOTAL ASSETS		148,454	203,615
EQUITY AND LIABILITIES			
Equity			
Restricted equity		28,940	28,572
Non-restricted equity		90,664	160,946
Total equity		119,604	189,518
Liabilities			
Long-term liabilities			
Appropriations		1,735	0
Total long-term liabilities		1,735	0
Current liabilities			
Trade payables		3,852	4,671
Trade payables to group companies		16,837	1,490
Other current liabilities		1,722	5,442
Accrued expenses		4,704	2,494
Total current liabilities		27,115	14,097
TOTAL EQUITY AND LIABILITIES		148,454	203,615

Notes on the Consolidated Accounts

Note 1 Accounting principles

This interim report in summary for the fourth quarter ended 31 December 2021 has been prepared in accordance with the international accounting standard IAS 34 "Interim Financial Reporting". The term "IFRS" in this document includes the application of IAS and IFRS, as well as interpretations of these recommendations published by the IASB's Standards Interpretation Committee (SIC) and IFRS Interpretation Committee (IFRIC). The application of the accounting principles is in accordance with those contained in the Annual Report for the financial year ended 31 December 2020 and shall be read in conjunction with this Interim report. There are no changes to IFRS in 2021 that are estimated to have a significant impact on the Group's earnings and financial position.

Unless otherwise stated, all amounts are reported in thousands of kronor (KSEK). Information in parentheses refers to the comparison year.

Note 2 Division of net sales

KSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
License revenues	148	0	270	0
Sales of good	3,569	3,494	10,710	9,337
Total	3,717	3,494	10,980	9,337

Note 3 Cost of goods sold

KSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Cost of materials	1,931	1,864	4,507	5,054
Personnell expenses	43	-65	144	170
External services	56	193	365	294
Depreciation and amortization	2,771	3,307	10,887	11,718
Total	4,801	5,299	15,903	17,236

Note 4 Development, selling and administrative expenses

KSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Personnell expenses	14,469	7,347	46,894	23,706
Consulting expenses	6,294	3,841	22,063	11,510
Depreciation	28	46	99	184
Other expenses	2,983	991	11,179	3,931
Total	23,774	12,225	80,235	39,331

Note 5 Transactions with related parties

During the period, one Director invoiced 1,072 KSEK (1,203) on market terms for consulting services rendered associated with the company's operating activities. These services were mainly rendered by Sorin Brull.

Note 6 Earnings per share

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<i>SEK</i>				
Basic earnings per share	-0.38	-0.26	-1.31	-0.84
Diluted earnings per share	-0.38	-0.26	-1.31	-0.84
Earnings measures used for calculating earnings per share				
Profit (loss) attributable to equity holders of the parent used	Net profit (loss)	Net profit (loss)	Net profit (loss)	Net profit (loss)
Profit (loss) attributable to equity holders of the parent, KSEK	-23,772	-15,192	-82,143	-47,444
No.				
Weighted average no. of ordinary shares for calculating basic earnings per share	62,493,290	58,743,123	62,493,290	56,199,776
Adjustment for calculating diluted earnings per share	167,103	189,190	186,667	153,719
Stock options				
Weighted average no. of ordinary shares and potential ordinary shares used as denominator for calculating diluted earnings per share	62,660,393	58,932,313	62,679,957	56,353,495

Diluted earnings per share is not reported because it generates higher earnings per share because the company is loss making.

Note 7 Alternative performance measures

Senzime has defined the following alternative performance measures. The computations are published at www.senzime.com.

Performance measure	Definition	Motive for use
Gross margin excl. amortization	Gross profit (loss) excl. amortization of intangible assets divided by net sales	The group uses the alternative performance measure gross margin excluding amortization because it illustrates the impact of amortization of capitalized development expenditure on gross margin.
Operating profit excluding depreciation	Earnings before interest and taxes excluding depreciation of intangible assets	The group uses the alternative key ratio Operating profit excluding depreciation as it shows how much impact depreciation of capitalized development costs has on operating profit.
Equity/assets ratio	Closing equity in the period divided by closing total assets in the period	The group uses the alternative performance measure equity/assets ratio because it illustrates the portion of the total assets that consist of equity, and has been included so investors will be able to assess the group's capital structure.

Not 8 Stock Options

Employee stock option program 2020/2023

The Extraordinary General Meeting on July 2, 2020 resolved on a program comprising 100,000 employee stock options. The program is aimed at a senior executive and was awarded free of charge in July 2020. Allotted employee stock options are earned over three years as follows: 20% of allotted employee stock options are vested on 1 July 2021; 20% of allotted employee stock options are vested on 1 July 2022; and 60% of allotted employee stock options will be vested on July 1, 2023. Provided that earnings and continued employment in the company are maintained, each option may be exercised for subscription of shares during the period 1 July 2023 to 30 September 2023. The subscription price is set at SEK 24.70, which corresponds to 125% of the volume-weighted average price paid for the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of the general meeting's resolution

Employee Stock Option Program 2020/2024

The Extraordinary General Meeting on 2 July 2020 also resolved on a program comprising 1,100,000 options. Employee stock options shall be offered and allotted to employees of the Company based on the participants' individual performance during an evaluation period that shall last until 31 December 2020 (the "Evaluation Period").

Allotted employee stock options are earned over three years as follows: 20% of allotted employee stock options are vested on February 1, 2022; 20% of allotted employee stock options are vested on February 1, 2023; and 60% of allotted employee stock options will be vested on February 1, 2024. Participants may exercise allotted and earned employee stock options during the period 1 February 2024 to 30 April 2024.

The subscription price is set at SEK 24.70, which corresponds to 125% of the volume-weighted average price of the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of the general meeting's resolution. A total of 825,000 of these 1,100,000 options were allotted in February 2021 and the allocation is as follows: CEO: 100,000 employee stock options; members of the Management Team in total: 500,000 employee stock options (maximum individual allotment 90,000); other employees: 240,000 (maximum individual allocation 30,000). The market value at the time of allotment was SEK 4.70 per option.

Employee Stock Option Program 2021/2025

The Annual General Meeting on May 11, 2021 resolved on an additional employee stock option program comprising 456,050 options. These employee stock options shall be offered and allotted to employees - except the CEO or those who are part of the Company's management team - based on the participants' individual performance during an evaluation period that shall last until 31 December 2021 (the "Evaluation Period"). The evaluation and subsequent allotment of employee stock options will be decided by the Company's CEO no later than February 2022. However, allocation may take place earlier or later following a special decision to that effect by the Board of Directors. The maximum number of employee stock options to be allotted to participants is 50,000 employee stock options per person

Allotted employee stock options are earned for three years as follows: 20% of allotted employee stock options are vested on February 1, 2023; 20% of allotted employee stock options will be vested on February 1, 2024; and 60% of allotted employee stock options will be vested on February 1, 2025. Participants may exercise allotted and earned employee stock options during the period 1 February 2025 to 30 April 2025. The subscription price is set at SEK 28.10, which corresponds to 125% of the volume-weighted average price of the Company's share on NASDAQ Stockholm's main market for a period of 20 trading days from the date of the general meeting's resolution. A total of 435,000 of these 456,050 options were allotted in February 2022. All options have been allotted to other employees. The market value at the allotment was SEK 2.68 per option.

Dilution from the Stock option programs

In total, the Group's three employee stock option programs comprise 1,381,050 options, which at full exercise means a dilution of 2.1%. If the 400,000 warrants allotted to the CEO are included in the calculation, this means a total dilution from all warrant programs of 2.8%. This is provided that all options are exercised, including the employee stock options that have not yet been allotted.