Press release December 3, 2021, 01:15 CET.

Sedana Medical has carried out a directed share issue raising gross proceeds of 615 MSEK

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Sedana Medical AB (publ) (SEDANA: FN Stockholm) ("Sedana Medical" or the "Company") has, by exercise of the authorisation from the annual general meeting held 10 May 2021, successfully carried out a directed issue of 7,150,000 new shares at a subscription price of SEK 86.00 per share, raising proceeds of approximately SEK 615 million before deduction of transaction-related costs (the "Directed New Issue"). The subscription price of SEK 86.00 per share has been determined through an accelerated book-building procedure conducted by Pareto Securities AB and corresponds to zero (0) percent discount to the closing price on 2 December 2021. A number of Swedish and international institutional investors, including AMF, DNCA Investments, Handelsbanken Fonder, Joh. Berenberg, Gossler & Co. KG, Linc AB, and Swedbank Robur Fonder participated in the Directed New Issue. The outcome of the Directed New Issue does not affect the Company's announced target to exceed SEK 500 million in net sales in Europe in the third year after approval (2024). Given the successful outcome of the Directed New Issue, and in light of the Company's ambition to pursue the build-up of dedicated in-house operations in the US, the EBITDA target of 40 per cent remains, but is expected to be achieved when the Company is at a steady-state post-US launch.

The Directed New Issue and the book-building procedure

The board of directors of the Company has today, by exercise of the authorisation from the annual general meeting held 10 May 2021, successfully completed a directed issue of 7,150,000 new shares at a subscription price of SEK 86.00 per share, raising proceeds of approximately SEK 615 million before deduction of transaction-related costs. The interest in the book-building procedure was strong, and the Directed New Issue was substantially oversubscribed. The Directed New Issue will result in an increase in the number of shares in Sedana Medical of 7,150,000, from 92,186,960 to 99,336,960, and an increase in the share capital by SEK 178,750, from SEK 2,304,674 to 2,483,424 resulting in a dilution effect of approximately 7.2 per cent based on the total number of shares in the Company after the Directed New Issue.

"I am excited that our journey to make inhaled sedation the standard therapy for intensive care patients will soon also include the United States, our largest potential market. We have assessed alternative go-to-market models and have concluded that the best strategy for us is to build up our own commercial operations. Our Sedaconda products have in our clinical trial in Europe demonstrated meaningful benefits over current standard of care and we are committed to making a difference in the care of critically ill patients in the United States as well.", says Johannes Doll, CEO, Sedana Medical.

"It is great to see that we are making progress with both of the company's main priorities: the Sedana Medical teams are ready for the upcoming launch of Sedaconda (isoflurane) in Europe and now we are also gearing up to prepare for the important US market. We are grateful for the support coming from both new and existing shareholders in this directed share issue and look forward to the exciting times ahead.", says Thomas Eklund, chairman of the board of directors, Sedana Medical.

The rationale behind the Directed New Issue is to ensure that the Company has the financial flexibility and readiness required to prepare for a commercial launch in the U.S. market, after a potential marketing authorisation in the U.S. for the medical device Sedaconda ACD and the pharmaceutical Sedaconda (isoflurane) for inhaled sedation of mechanically ventilated patients in intensive care. At the end of November 2021, the Company submitted an Investigational New Drug (IND) application to the US Food and Drug Administration (FDA), with the aim to commence its Phase III pivotal clinical trials with the Sedaconda products in the U.S. Provided that the IND application is approved, the Company is planning to commence patient recruitment at the turn of Q1/Q2 2022, with the objective to obtain marketing authorisation in the U.S. by end of 2024.

Reasons for deviating from the shareholders' preferential rights

The board of directors of the Company deems, after an overall assessment and careful consideration, that a new share issue with deviation from the shareholders' preferential rights is a more motivated alternative for the Company's shareholders than a rights issue and that it is in the objective best interest of both the Company and its shareholders to carry out the Directed New Issue. The board of directors' assessment is based on the fact that the Company's capital need is relatively limited which entails a risk of the costs of a rights issue to be high in relation to the raised capital, which is why a rights issue of such limited size is not deemed to be effective nor appropriate. Furthermore, the Directed New Issue enables the Company to raise capital quickly and efficiently, which in turn provides flexibility for potential investment possibilities in the short term, contributes to reduced exposure to price fluctuations on the capital market as well as provides the opportunity to benefit from the current interest in the Company's share among potential institutional and qualified investors. In addition, the board of directors has a positive view on an increased shareholding in the Company among institutional and qualified investors. Lastly, the Company considers the dilution effect of the Directed New Issue to be limited.

Use of proceeds and adjusted financial targets

Sedana Medical intends to use the net proceeds from the Directed New Issue to finance preparations for commercialisation of the Sedaconda products for inhaled sedation of mechanically ventilated patients in intensive care units (ICUs) through the build-up of dedicated in-house operations in the U.S. Key activities will include:

i. optimizing the clinical program to further strengthen the evidence base, including 3- and 6-month patient follow-up in the two pivotal US studies;
ii. expanding the US organization and establishing a local sales-force;
iii. preparing the market for successful launch; and
iv. executing the U.S. launch of Sedaconda ACD and Sedaconda (isoflurane) post anticipated approval in 2024.

The outcome of the Directed New Issue does not affect the Company's announced target to exceed SEK 500 million in net sales in Europe in the third year after EU approval (2024). Given the successful outcome of the Directed New Issue, and in light of the Company's ambition to pursue the build-up of dedicated in-house operations in the US, the EBITDA target of 40 per cent remains, but is expected to be achieved when the Company is at a steady-state post-US launch.

Acquisition of shares by CEO and lock-up undertakings

In connection with the Directed New Issue, Johannes Doll, CEO of Sedana Medical, will acquire 11,630 shares corresponding to approximately SEK 1 million from the board member and existing shareholder Ola Magnusson's wholly-owned company Magiola Consulting AB, at the same price per share as in the Directed New Issue.

The Company has, in connection with the Directed New Issue, undertaken, subject to customary exceptions, not to carry out any new issues of shares for a period of 180 days from the date of completion of the Directed New Issue. In addition, the board members Ola Magnusson, Thomas Eklund and Eva Walde, Linc AB that is majority owned by the board member Bengt Julander, as well as CEO Johannes Doll, Robert vom Dorp, Peter Sackey and Stefan Krisch from the senior management of the Company, have inter alios undertaken, subject to customary exceptions, not to (directly or indirectly) sell any shares in Sedana Medical during the same period without the prior consent from Pareto Securities AB (except that Ola Magnusson will, directly and/or indirectly, sell shares to the CEO as set out above).

Ensuring delivery of shares to the investors

To secure swift delivery of shares to the investors in the Directed New Issue it has, for technical reasons relating to the new issue, been directed to Pareto Securities AB that has subscribed for the shares in the Directed New Issue at the shares' quota value. In connection with Pareto Securities AB receiving payment from the investors that have received allocation in the book-building procedure, the Company will be contributed with the difference between the quota value of the new shares and the price per share determined in the book-building procedure.

Advisers

Pareto Securities AB is acting as Sole Manager and Bookrunner in connection with the Directed New Issue. Roschier Advokatbyrå AB is acting as legal adviser to the Company and Baker McKenzie is acting as legal adviser to Pareto Securities AB in connection with the Directed New Issue.

For additional information, please contact:
Johannes Doll, CEO, +46 (0)76 303 66 66
Susanne Andersson, CFO, +46 (0)73 066 89 04
ir@sedanamedical.com

Sedana Medical is listed on Nasdaq First North Growth Market in Stockholm.
The Company's Certified Adviser is Erik Penser Bank, +46 8 463 83 00,
certifiedadviser@penser.se.

This information constitutes inside information that Sedana Medical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was sent for publication, through the agency of the contact person set out above, on 3 December 2021, at 01:15 CET.

About Sedana Medical

Sedana Medical AB (publ) is a pioneer medtech and pharmaceutical company focused on inhaled sedation to improve the patient's life during and beyond sedation. Through the

combined strengths of the medical device Sedaconda ACD and the pharmaceutical Sedaconda (isoflurane), Sedana Medical provides inhaled sedation for mechanically ventilated patients in intensive care.

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

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

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This press release is not an offering or invitation to acquire or subscribe for securities in the United States. The shares referred to herein have not been registered and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except in accordance with an applicable exemption from or through a transaction that is not subject to the registration requirements of the U.S. Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. This press release is not an offering or invitation to acquire or subscribe for securities in the United States, Australia, Canada, New Zealand, Japan, Singapore or South Africa and the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in these countries and may, with certain exceptions, not be offered or sold to or within, or on behalf of a person or for the benefit of a person who is registered, resident or located in, these countries. The Company does not intend to make an offer to the public to acquire the securities mentioned in this press release in any jurisdiction whatsoever.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the shares of the Company. Any investment decision to acquire or subscribe for shares in connection with the Directed New Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities AB.

Pareto Securities AB is acting exclusively for the Company and no one else in connection with the Directed New Issue, and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Directed New Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Directed New Issue or any transaction, matter, or arrangement referred to in this press release.

Forward-looking information

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict because they are dependent on future events and circumstances which are beyond the Company's control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect new information or future events that occur or similar circumstances that arise in relation to the content of this communication.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise

have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.