

Press release August 31, 2017

Sedana Medical AB (publ), Interim Report, Q2, January-June 2017

Strong sales growth and initiated registration study for Europe

Financial summary April-June

- Net sales during the period increased to 9 549 (7 142) KSEK corresponding to an increase of 34% compared with the same period 2016.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) were 673 (-702) KSEK. This corresponds to an EBITDA margin of 7,1% (-9,8%).
- Earnings before interest and taxes (EBIT) were 408 (-781) KSEK which corresponds to an EBIT margin of 4,3% (-10,9%).
- Cash flow from operations before change in working capital amounted to -1 461 (-935) KSEK.
- Liquid funds at the end of the period amounted to 100 738 (852) KSEK.

Financial summary January-June

- Net sales during the first six months increased to 19 440 (15 680) KSEK corresponding to an increase of 24% compared with same period in 2016.
- EBITDA amounted to 1 081 (438) KSEK and the EBITDA margin was 5,6% (2,8%).
- EBIT amounted to 678 (297) KSEK and the EBIT margin was 3,5% (1,9%).
- Cash flow from operations before change in working capital amounted to -1 183 (-319) KSEK.

Significant events during the period

- Sedana Medical's share was listed on the Nasdaq First North stock exchange on 21 June 2017.
- In June 2017, an agreement was concluded with Teleflex Medical Inc. to settle all outstanding royalties for AnaConDa products. With the deal Sedana Medical has no further royalty obligations to Teleflex.
- A decision was made on the issue and distribution of shares and on conversion to a public company at the Extraordinary General Meeting on 5 April.
- The registration study IsoConDa entered an operational phase with the inclusion of the first clinic and patient after the clinical protocol was approved by the German Medicines Agency, BfArM and by the Ethics Committee.
- The headquarters of the group was registered in Danderyd.
- A new affiliate was established in Sweden to administer incentive programs in Sedana Medical AB (publ).

Significant events after the period

- The first patients were treated with AnaConDa in South Korea and Asian market.
- The process of recruiting new clinics into the registration study IsoConDa is ongoing in Germany and we have now recruited more than half of the planned number of clinics.
- The overallotment option in the IPO were exercised.

CEO comments

It was a source of great pride for all Sedana Medical employees that the company was listed on Nasdaq First North in Stockholm on 21 June 2017. I would like to take this opportunity to thank all shareholders, old and new, for their support and their faith in us as a company.

The listing provides us with the opportunity and the financial fundamentals to be able to realise our vision of making inhalation sedation with IsoConDa and AnaConDa a global standard method for sedation of mechanically ventilated patients in intensive care. We hope to achieve this ambitious vision because the AnaConDa technology and the pharmaceutical IsoConDa (isoflurane) offer a solution that addresses the problems that today's intravenous sedatives cause or do not adequately solve.

During the quarter, we worked hard on the listing of the company, but also dedicated considerable effort to our key strategic goals by focusing on:

- Obtaining approval for inhalation sedation therapy in intensive care by registering the medicinal product IsoConDa in Europe through a registration study that has now been initiated in Germany with recruitment of both clinics and patients. We are working intensively with our partners to reach this milestone. Over the next 18 months we will dedicate substantial effort to successfully conducting this study.
- The second strategic goal is to continue to grow in terms of sales, primarily in our test market, Germany. The second quarter shows continued strong overall net sales growth of 34% compared with the corresponding period in 2016. In addition to acquiring more German customers and increasing sales among existing customers, sales are beginning to take off in our second market, France. While the sales figures are modest in relation to Germany, important new clinics have been added during the quarter, which will benefit future sales. We are particularly pleased that we are becoming established in more clinics in France since we have essentially applied the same strategy as in Germany.

In addition to favourable sales growth in Germany and in Europe at large, we have also taken the first step in Asia, where AnaConDa was launched in South Korea and the first patients have now been treated. We have previously entered into an exclusive agreement with the South Korean distributor DaeSeuk Med Co. Ltd. for the rights to market and sell AnaConDa. South Korea is a good reference country for registration of AnaConDa in other Asian markets in the future.

During the quarter, an agreement was reached with the US medical device provider Teleflex Medical to finally settle the existing royalty structure for the AnaConDa products. As a result of the agreement, we no longer have any royalty obligation.

Despite our heavy investments and increasing costs to facilitate growth, EBITDA was SEK 0,67 million for the second quarter and SEK 1,1 million for the first half of 2017 which is an indication of ongoing strength.

Continued sales growth is well in line with our high growth targets and we continue to see strong demand from many customers.

The first half of the year shows that the company is well-positioned to lead the initiative to offer the first commercial solution for inhalation sedation in intensive care, a market with a sales potential of SEK 10-20 billion annually.

Christer Ahlberg, President and CEO

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Pareto Securities is Certified Adviser to Sedana Medical.

This information is such that Sedana Medical AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on 31 August 2017 at 07.00 AM (CET).

Sedana Medical in brief

Sedana Medical is a Swedish medical technology group which develops, manufactures and sells the medical device AnaConDa. AnaConDa is based on proprietary technology for vaporization and reflection of anesthetic gases. The device is sold to intensive care units globally and is used for sedation of patients.

Sedana Medical operates in several countries in Europe via affiliates and branch offices of the parent company Sedana Medical AB (publ). Germany is the Group's largest market, with more than 85% of total sales.

Sedana Medical has initiated a clinical registration study in Germany with the aim of gaining European clinical approval for the pharmaceutical IsoConDa (isoflurane). IsoConDa will be used with AnaConDa for inhalation sedation in the intensive care unit.

In June 2017 Sedana Medical's share was listed on the Nasdaq First North trading venue.

Read the interim report in full below or on the website www.sedanamedical.com.