



Year-End Report – January – December, 2023 Redsense Medical AB (publ)

October – December 2023

- Net sales amounted to kSEK 8,025 (8,027).
- Operating loss, EBIT amounted to kSEK -927 (555).
- Result after tax amounted to kSEK -950 (-2,297).
- Earnings per share were SEK -0.07 (-0.16).

Significant events during the period

- On October 26, Redsense Nomination Committee for the 2024 Annual General Meeting was announced.
- On December 23, Redsense notified the market that Chairman of the Board, Patrik Byhmer, passed away.

Significant events after the period

- On January 8, Redsense announced that Eva Walde was appointed new Chairman of the Board.
- On January 9, Redsense announced a change in the Nomination Committee for the 2024 Annual General Meeting.
- On February 6, the largest owner Seventh Sense Adventures Holding AB announced the continuation as a long-term investor after the change in ownership, following the passing of Patrik Byhmer.
- On February 15, Redsense announced that American Association of Kidney Patients supports the Home Dialysis Risk Prevention Act.

Strong Fourth Quarter rounds off record sales in 2023

We are pleased to finish the year on a high note and repeat the strong sales of the fourth quarter in 2022. Overall, 2023 was an excellent year with record sales of kSEK 24,967 (14,340) giving a net sales growth of 74% compared to the same period in 2022. Net sales for the fourth quarter amounted to kSEK 8,025 (8,027) with the main driver being the US market, comprising a combination of deliveries of the large order from August 2023 (mSEK 11.2) as well as new orders. The US market continues to be the foundation of our business with 98% (98%) of our net sales during 2023. With regards to sales outside the US, development in the UK has been positive, and the UK ended up the largest contributor in 2023.

Building momentum in the US

The US home hemodialysis segment is currently our main market. During the fourth quarter, our US distributors saw a solid increase in sales to the end-users, i.e. the dialysis providers. The increased demand for Redsense products in this segment is promising for our business in 2024. Even though the sales trend to the dialysis providers is clearly positive, we may experience variations in order size and frequency from our US distributors due to stock-keeping at the distributors. This in turn may mean possible fluctuations in quarterly sales numbers. However, we strongly believe in the continued growth of the home hemodialysis segment, and thereby also our US business.

Besides a growing market for home hemodialysis, an enactment of the Home Dialysis Risk Prevention Act in the US, is another possible growth driver and a way to increase market access. At present, the Redsense Alarm System is not used for all home hemodialysis patients. With the Medicare coverage that will follow implementation of this legislation, reimbursement will be an important incentive for dialysis providers to expand the usage of the Redsense Alarm System for this modality. During the quarter, we have continued our efforts to increase awareness of Venous Needle Dislodgement (VND) among members of Congress through frequent meetings.

VND is one of the remaining safety issues during hemodialysis, and the Redsense blood loss detection system can make a real difference in avoiding adverse events, and as such save lives. During the quarter we have been busy promoting the use of the Redsense Alarm System at several conferences and meetings. One highlight was the world's largest nephrology conference, the American Society of Nephrology (ASN) in Philadelphia, where we exhibited and showcased our products. This was an excellent event and an effective way for us to engage with all the important stakeholders, all the way from dialysis providers, physicians, nurses, and hemodialysis manufacturers to distributors.

Launch of Clamp

We are making good progress with the Clamp usability study at the Toronto General Hospital, which is the last step in attaining a CE mark before starting the launch. With the Clamp, we have an excellent opportunity to create an attractive bundle with the Redsense Alarm unit, which will be especially important to attract new customers. In certain markets, such as Australia, the availability of the Clamp is critical to be able to start selling. There is also significant potential to increase sales of the Clamp in Canada and some European countries. Our plan is to launch the Clamp in the first half of 2024.

Looking forward to 2024 with confidence

2023 was an eventful year with progress in many areas, and we have laid a solid foundation for future growth. With the strong finish to 2023, we enter 2024 with a great deal of momentum and high expectations. We do this under the sales-oriented leadership of our new Chair of the Board, Eva Walde. We are very happy that Eva has taken on this position, following the deeply saddening passing of Redsense Medical's founder and former Chair of the Board, Patrik Byhmer. Patrik was instrumental in the development of the company, and brought a lifesaving technology to the dialysis market. He is dearly missed and remembered as a true entrepreneur.

We aim to continue our growth journey in 2024, with our strong position in the US home hemodialysis market as the foundation. We will intensify our sales and promotional activities in this segment. In addition, promotion of the Home Dialysis Risk Prevention Act is high on the agenda as a possible market access opportunity. Another important growth initiative for 2024 is the CE mark and subsequent launch of the Clamp. When it comes to the Clamp, we also plan to submit a 510(k) application to the FDA in 2024 in order to pave the way for future clearance on the important US market.

We have a unique product that fulfills a significant need to improve patient safety for hemodialysis patients.

I look forward to keeping you updated on our continued progress, with several important milestones to be achieved in 2024.

Finally, I would like to express my appreciation to the team for all their contributions and dedication in making 2023 a successful year for Redsense!

Contact information

For more information, please contact:
Pontus Nöbréus
CEO
Telephone: +46 72-171 1264
E-mail: [pontus.nobreus \(at\) redsensemical.com](mailto:pontus.nobreus@redsensemical.com)

Redsense Medical AB (publ), 556646-4862

ABOUT REDSENSE MEDICAL

Redsense Medical is a corporate group with operations mainly in Europe and the United States. The company has developed the Redsense System, an innovation used for monitoring and alarm in the case of blood leakage in connection with a hemodialysis treatment. Redsense Medical solves one of the most serious remaining safety problems within hemodialysis – to quickly detect Venous Needle Dislodgement and catheter leakage to minimize blood leakage. The system consists of a patented fiber optic sensor, designed for either venous needle or central venous catheter, which is connected to an alarm unit. From the very start, the development of the company's technology has been based on the demands and safety requirements of healthcare providers in the dialysis sector. The Redsense Medical share is listed on Spotlight Stock Market (REDS) and traded on OTCQX (RDSNF) in the US.