

Interim Report January - March 2023

SUMMARY OF THE INTERIM REPORT

The Group's net turnover during the quarter amounted to MSEK 0.7 (1.8). The decrease in turnover is attributable to the redistribution of priority areas, causing order inflows to be pushed to the coming quarter.

Expenses have decreased significantly compared to the same period last year. The cost reduction is attributable to streamlining of both personnel and other external costs.

The result for the first quarter amounted to MSEK -4.8 (-7.8) and, in addition to the reduced costs mentioned above, is also affected by a lower turnover compared to the same period last year.

DEVELOPMENT IN THE GROUP, JANUARY - MARCH 2023

- Total net turnover amounted to MSEK 0.7 (1.8)
- Operating result amounted to MSEK -4.6 (-7.5)
- Result for the period amounted to MSEK -4.8 (-7.8)
- Earnings per share amounted to SEK -0.15 (-0.52)

FINANCIAL OVERVIEW

Figures in parentheses below indicate information for the corresponding period during the previous financial year.

TURNOVER AND RESULT FOR THE GROUP

Net turnover for the first quarter amounted to MSEK 0.7 (1.8). The reduced net turnover is attributable to the fact that the Company focused on securing liquidity and long-term financing during the quarter, and that the Company had limited available resources for marketing and sales. This has resulted in orders being pushed to later quarters.

Expenses have decreased significantly compared to the same period last year.

The cost reduction is attributable to streamlining of both personnel and other external costs.

The result for the first quarter amounted to MSEK -4.8 (-7.8) and, in addition to the reduced costs as described above, is also affected by a reduced turnover.

FINANCIAL POSITION

Cash and cash equivalents as of the balance sheet date amounted to MSEK 1.3, compared to MSEK 3.7 at the beginning of the period. Cash flow for the quarter amounted to MSEK -2.5 (-7.4).

The equity/assets ratio at the end of the period was 10%.

SIGNIFICANT EVENTS DURING THE PERIOD 1 JANUARY – 31 MARCH 2023

At the beginning of the year, S2Medical AB reported on the outcome of tests of the antibacterial peptides that the Company acquired. The peptides were tested against the multi-resistant bacteria that the WHO has defined as a global health threat, the so-called ESKAPE list, and showed extremely positive effects.

At the end of the quarter, the Company secured a procurement of wound healing items in Region Halland. The procurement runs for a maximum of four years, and the volume was not specified. However, the region reserves the right to add more products during the duration of the procurement.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, the Company signed a new distribution agreement in the United Arab Emirates. In conjunction with the signing of the new agreement, the Company also delivered an order to the new distributor worth approximately MSEK 2. Shortly after the signing of the new distributor agreement, the Company also announced that it had secured a procurement in the United Arab Emirates relating to wound healing articles, at an estimated value of approximately MSEK 3.4, distributed over two years.

In May, the Board of Directors for S2Medical AB announced that they had resolved on a partially guaranteed rights issue of units which can provide the Company with approximately MSEK 26, before issue costs. During the same month, the Company also announced that another procurement of wound healing items had been secured in the Västra Götaland region. This procurement was also without any specified volume, and will run for a maximum of four years.

A distributor agreement for the Iranian market was concluded with Avije Teb Parsin. The agreement covers the Company's products in the Epiprotect series, and entails orders of SEK 740 000 once the products are registered, as well as obligations for further orders of approximately MSEK 10.6 until 2026.

The full report can be found in the company's website: <https://www.s2m.se/en/financial-reports>

This disclosure contains information that S2Medical AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 31-05-2023 19:00 CET.

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About S2Medical

S2Medical AB (publ) is a medical technology company that develops and sells innovative wound healing products for the entire wound healing process, with a focus on burns and chronic wounds. The company has developed eiratex®, a new cellulose-based material for healing severe burns and chronic wounds. The material heals wounds effectively and thereby reduces both suffering for patients and costs for health care.

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