

N.B The English text is an unofficial translation

# Interim report January - March 2022

TUES, MAY 17, 2022 09:00 CET

## SUMMARY OF INTERIM REPORT

During the first quarter, sales in ordinary wound healing products amounted to SEK 1.7 (0.7) million and increased by 154% compared with the previous year. The Group's net sales during the quarter amounted to SEK 1.8 (3.2) million. The change in the Group's total sales compared with the previous year is attributable to COVID-19 related sales during Q1 2021.

### DEVELOPMENT WITHIN THE GROUP, JANUARY – MARCH 2022

- Net sales within the company's ordinary wound healing products amounted to SEK 1.7 (0.7) million
- Total net sales amounted to SEK 1.8 (3.2) million
- Operating profit amounted to SEK -7.5 (-4.5) million
- Profit for the period amounted to SEK -7.8 (-4.5) million
- Earnings per share amounted to SEK -0.52 (-0.30)

### FINANCIAL OVERVIEW

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

### SALES AND PROFIT FOR THE GROUP

Net sales for the first quarter amounted to SEK 1.8 (3.2) million. The change compared with previous years is attributable to the sales of medical consumables intended to counteract the spread of COVID-19 that took place during the first quarter of 2021. Sales in ordinary wound healing products amount to SEK 1.7 (0.7) million, corresponding to an increase of 154% compared to the previous year.

The costs have increased compared with the previous year due to increased external costs as a result of increased consulting fees and increased marketing costs during the quarter when S2Medical AB participated in several major trade fairs. Personnel costs are higher due to increased workforce and negative currency effect from the company's branch in the United Arab Emirates.

The result for the first quarter amounted to SEK -7.5 (-4.5) million and is affected in addition to the increased other external costs mentioned above also negatively compared with the previous year by increased interest expenses as a result of the loan financing S2Medical AB raised during the fourth quarter 2021 .

## FINANCIAL STANDING

Cash and cash equivalents on the balance sheet date amounted to SEK 2.1 million, compared with SEK 9.5 million at the beginning of the period. Cash flow for the quarter amounted to SEK -7.4 (-8.6) million. Cash flow last year was affected by issue-related costs.

The equity / assets ratio at the end of the period was 30%.

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## **SIGNIFICANT EVENTS DURING THE PERIOD 1 JANUARY - 31 MARCH 2022**

On 16 February, S2Medical AB received a confirmation from the Saudi authorities that the products in the new Epiprotect series are registered and approved for sale as Class IIb in the country. Shortly afterwards, on February 24, the first order for Epiprotect® from the Saudi distributor Arabian Trade House was placed. The order marks the start of the venture initiated in Saudi Arabia in 2022.

On March 4, S2Medical AB received its largest order to date for the Swedish market. The order amounted to approximately SEK 0.5 million and was a call-off from the procurement within Region Femklöver that came into force on 1 March 2022.

On March 15, S2Medical AB decided on a rights issue of units of approximately SEK 30.1 million, which was secured up to 70% through subscription commitments and guarantee commitments. The rights issue takes place through the issuance of unit rights, which will strengthen S2Medical's financial situation and enable continued focus on sales growth within the ordinary wound healing portfolio and continued development of the product portfolio.

## **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

As of April 13, S2Medical AB has received an order code (Oracle code) for the products in the Epiprotect series within Mediclinic in the United Arab Emirates. Mediclinic is one of the largest private care providers in the country with seven hospitals and over 20 clinics with a total of over 900 beds. The order code allows for regular orders for the coded product and has thus opened up for further growth in the company's branch in Dubai.

On April 28, it was announced that S2Medical AB had won a procurement for wound healing articles in the Jönköping Region through Mediq AB. The products referred to in the procurement are Ynolen's perfume-free odor remover and a wound scraper, both of which are manufactured by subcontractors to the Company. The procurement runs over 4 years and is estimated to be worth a total of approximately SEK 4.5 million.

On May 10, S2Medical AB announced the outcome of the issue of units with preferential rights for the Company's shareholders, which was announced on March 15. The rights issue was subscribed for at 37.0 percent with and without the support of unit rights, the remaining part of the rights issue is allocated to issue guarantors and the Company is thus provided with a total of approximately SEK 21 million before issue costs.

This information is such that S2Medical AB is obliged to publish in accordance with the EU Market Abuse Regulation (EU no. 596/2014). The information was submitted, through the care of the specified contact person, for publication 2022-05-17 09:00 CET.

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### **Contact information**

Petter Sivilér - CEO, S2Medical AB (publ)

Phone: +46 (0) 8-70 000 50

Email: [petter.sivler@s2m.se](mailto:petter.sivler@s2m.se)

### **Certified Adviser**

Vator Securities AB

Phone +46 (0) 8-580 065 99

Website: [www.vatorsec.se](http://www.vatorsec.se)

Email: [ca@vatorsec.se](mailto:ca@vatorsec.se)

### **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 thus reduces both suffering for patients and costs for health care.

Shares short name: S2M

Share ISIN code: SE0011725084