



Interim Report January – June 2019  
Senzime AB (publ)



# January – June 2019 in brief

Senzime AB (publ), 556565-5734

## Second quarter 2019

- Net sales amounts to KSEK 1,218 (381)
- Income after financial items amounts to KSEK -9,153 (-5,543).
- Earnings per share before dilution amounts to SEK -0.17 SEK (-0.12).
- Cash and cash equivalents per June 30, 2019 equal SEK 14.8 million (20.2).
- Number of shares per June 30, 2019 amounts to 49,077,503 (44,860,893)

## January - June 2019

- Net sales amounts to KSEK 1,603 (388).
- Income after financial items amounts to KSEK -18,663 (-9,642).
- Earnings per share before dilution amounts to SEK -0.35 (-0.22).

*Definitions. Earnings per share: Net income for the period divided by the average numbers of shares during the period. In parentheses describes comparative period last year. Unless otherwise stated, all information refers to the Group*

## Financial overview

KSEK	Apr - June 2019	Apr - June 2018	Jan-June 2019	Jan-June 2018	Full year 2018
Sales revenue	1 218	381	1 603	388	3 214
Income after financial items	-9 153	-5 543	-18 663	-9 642	-26 763
Earnings per share before dilution (SEK)	0,17	-0,12	-0,35	-0,22	-0,58
Solidity (%)	-	-	86,2	85,7	84,9

## Significant events during the period

- February 2019. Pia Renaudin joins as new CEO at Senzime AB.
- March 2019. The Department of Neuroanesthesia at the University Hospital in Uppsala signs an agreement to buy TetraGraph systems.
- March 2019. Norrlands Universitetssjukhus initiates a new exploratory pilot study with OnZurf probe.
- March 2019. Senzime launches the TetraGraph Viewer, a new software, enabling data extraction and analytics from the TetraGraph patient monitor to a connected computer.
- March 2019. Senzime announces the filing of the new 510(k) application to the FDA for the TetraGraph system to decrease the overall time to reach FDA clearance and introduction on the US market.
- March 2019. The Senzime management team is strengthened with VP Sales and VP Marketing and Business development.
- May 2019. Senzime signed an exclusive distribution agreement with Vingmed Holding A/S for the commercialization of TetraGraph in Sweden, Denmark, Norway and Finland.
- May 2019. Senzime receives the first million order from South Korea.
- June 2019. Senzime's board member Ulf Lindskog has passed away.
- June 2019. Senzime contracts Erik Bergman as new CFO, Erik succeeds Jessica Roxhed.

## Significant events after the end of the period

- July 2019. TetraGraph receives regulatory approval and additional order from South Korea.
- July 2019. Senzime increases focus on the market for anesthesia monitoring and communicates sales targets.
- July 2019. Senzime proposes a directed share issue of SEK 30 million to Länsförsäkringar, Handelsbanken, Segulah and the Crafoord family.



# About Senzime

Senzime develops and markets systems, driven by unique algorithms and sensors, to monitor patients' nervous systems and electrical impulses - before, during and after surgery. The company's solution is called TetraGraph, a medical technology system that digitally and continuously measures the degree of neuromuscular blockage in the patient. The goal is improved clinical precision and simplified management in care. By preventing complications and enabling healthcare professionals to follow guidelines and drug recommendations, TetraGraph contributes to shorter hospital stays and lower healthcare costs - in a world where everyone wakes up safely after surgery.

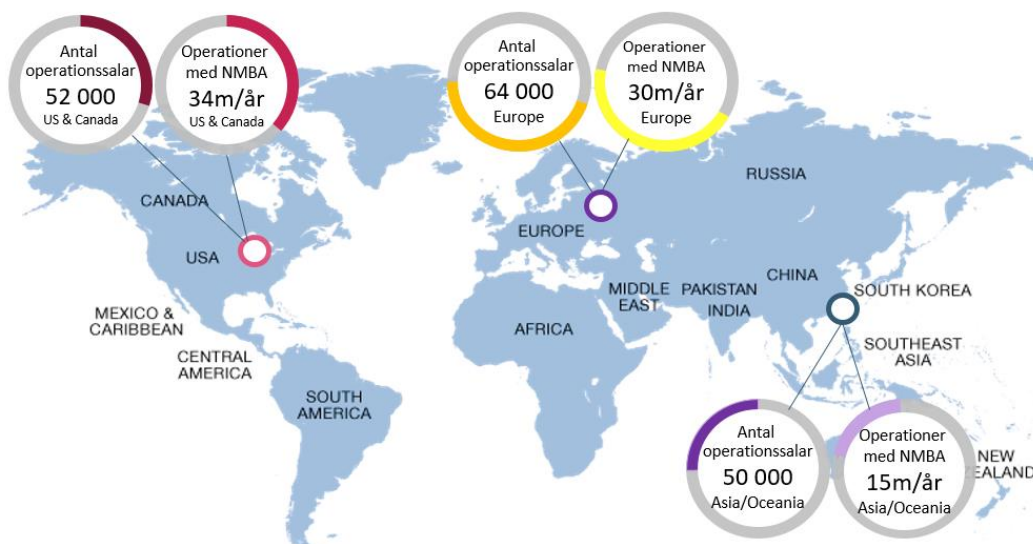
Senzime's development portfolio also includes innovative, patient-oriented solutions that enable automated and continuous measurement of biological substances such as glucose and lactate in blood and tissue fluid.

Senzime's vision is a world completely free of anesthetic-related complications. Senzime operates in growing markets, which today in Europe and the US alone are valued at over SEK 10 billion. The company's share is listed on Nasdaq First North (ticker SEZI).

## TetraGraph

TetraGraph is a CE-marked innovative and user-friendly digital system for monitoring patients undergoing anesthesia with muscle relaxants. TetraGraph is designed to easily and accurately measure the effects of muscle relaxant drugs, which helps the physician decide on the degree of neuromuscular function in real time and when it is safe to wake the patient after surgery. The system consists of a portable, hand-held patient monitor and disposable sensors.

By preventing complications and enabling hospital personnel to follow healthcare guidelines and drug recommendations for operations TetraGraph can contribute to shorten hospital stays and lower healthcare costs - in a world where everyone wakes up safely after surgery. TetraGraph's potential market is estimated to 166,000 operation theaters performing 79 million operations annually.



**Sources:** Meta-analyses 2007, Global operating theatre distribution and pulse oximetry supply: an estimation from reported data. Funk et al. 2010, Centers for Disease Control and Prevention 2017, Steiner et al. 2017, Rose et al. 2014, An estimation of the global volume of surgery, Weiser et al. 2008, OECD, nationella databaser, M. Naguib 2007, Ishizawa 2011, Number of surgical procedures (per 100,000 population), World Bank, Measuring surgical systems worldwide: an update, Kamali et al., 2018, National Hospital Discharge Survey, Centers for Disease Control and Prevention, 2010 together with Senzime company assumptions



## Statement from the CEO

We are now halfway into the year and work on the launch of TetraGraph continues at an intensive pace. A breakthrough order of 50 pcs. TetraGraph systems from South Korea in May were quickly followed by another order of 30 systems following Korean regulatory approval. Senzime's training of our distributor's 70 vendors on site in Seoul meant a really strong start in South Korea!

Our global roll-out of TetraGraph has begun. So far we have delivered systems to, among others, South Korea, Spain, Switzerland, Ireland, Hungary, Italy, Portugal and Sweden. Our ambition is to deliver a total of 300 TetraGraph systems in 2019. This is a great start towards the long-term goal of building a large, globally installed TetraGraph base that generates ongoing sales of consumables.

Together with the Board, the management team has decided to focus the business in line with market demand and obvious commercial opportunities for TetraGraph. More and more countries are now introducing clinical guidelines that are fully in line with TetraGraph based on digital and objective monitoring of the patient. Senzime's other products and development projects are therefore merged into a new business area for later licensing or commercialization in-house.

During the second half of 2019, our launch in the US will be given top priority. The recruitment process for a site manager is already underway as well as the work of setting up a subsidiary for the upcoming US operations. The new share issue during the current quarter aims to enable these investments. We have the financing, the product and the market opportunities in place to build something really big.

It will be an exciting autumn!

Uppsala in August 2019, Pia Renaudin, CEO of Senzime AB (publ)



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## Consolidated Income Statement

KSEK	Note	Apr -June 2019	Apr -June 2018	Jan-June 2019	Jan-June 2018	Full year 2018
Sales revenue		1,218	381	1,603	388	3,214
Cost of goods sold		-3,902	-1,190	-7,224	-1,525	-8,441
<i>of which goods</i>		-654	-797	-794	-919	-2,245
<i>of which salaries</i>		-110	-27	-188	-41	-338
<i>of which external services</i>		-8	-220	-45	-315	-420
<i>of which depreciation</i>		-3,130	-146	-6,197	-250	-5,438
<b>Gross income</b>		<b>-2,684</b>	<b>-809</b>	<b>-5,621</b>	<b>-1,137</b>	<b>-5,227</b>
Selling and administrative expenses	1	-6,554	-4,756	-13,148	-8,672	-21,646
Other operating income		233	77	386	262	372
Other operating expenses		-148	-54	-279	-94	-260
<b>Operating income</b>		<b>-9,153</b>	<b>-5,542</b>	<b>-18,662</b>	<b>-9,641</b>	<b>-26,761</b>
Financial income						
Financial expenses		-1	-1	-1	-1	-2
<b>Total financial items</b>		<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>
<b>Income after financial items</b>		<b>-9,154</b>	<b>-5,543</b>	<b>-18,663</b>	<b>-9,642</b>	<b>-26,763</b>
Deffered tax		689	-	1,377	-	1,142
<b>Net income</b>		<b>-8,465</b>	<b>-5,543</b>	<b>-17,286</b>	<b>-9,642</b>	<b>-25,621</b>
Average number of shares before dilution		49,077,503	44,860,893	49,077,503	43,009,040	44,154,382
Average number of shares after dilution		49,077,503	45,003,750	49,077,503	43,145,988	44,154,382
Earnings per share before dilution, SEK		-0,17	-0,12	-0,35	-0,22	-0,58
Earnings per share after dilution, SEK		-0,17	-0,12	-0,35	-0,22	-0,58

**Consolidated Balance sheet**

KSEK	Note	30 June 2019	30 June 2018	31 Dec 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		155,731	159,925	159,198
Machinery and equipment		149	208	179
<b>Total non-current assets</b>		<b>155,880</b>	<b>160,133</b>	<b>159,377</b>
<b>Current assets</b>				
Inventories		1,896	1,125	961
Accounts receivables		497	161	2,731
Other current assets		956	834	831
Prepaid expenses and accrued income		686	617	591
Cash and cash equivalents		14,830	20,248	32,666
<b>Total current assets</b>		<b>18,865</b>	<b>22,985</b>	<b>37,780</b>
<b>TOTAL ASSETS</b>		<b>174,745</b>	<b>183,118</b>	<b>197,157</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>150,548</b>	<b>156,985</b>	<b>167,408</b>
<b>Provisions</b>		<b>18,104</b>	<b>21,123</b>	<b>19,481</b>
<b>Current liabilities</b>				
Accounts payable		2,203	2,677	4,795
Other liabilities		949	479	1,148
Accrued expenses and prepaid income		2,941	1,854	4,325
<b>Total current liabilities</b>		<b>6,093</b>	<b>5,010</b>	<b>10,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>174,745</b>	<b>183,118</b>	<b>197,157</b>

**Consolidated Statement of Changes in Equity**

KSEK	Equity	Other contributed capital	Acc exchange rate diff	Retained earnings	Total equity
Opening balance at January 1, 2018	5,086	151,129	1,087	-16,883	140,419
Net income				-9,642	-9,642
Exchange rate differences on translation of foreign subsidiaries			996		996
Employee stock options				375	375
Rights issue	521	24,479			25,000
Issue expenses		-163			-163
<b>Total equity at June 30, 2018</b>	<b>5,607</b>	<b>175,445</b>	<b>2,083</b>	<b>-26,150</b>	<b>156,985</b>
Opening balance at January 1, 2019	6,135	201,180	1,856	-41,763	167,408
Net income				-17,286	-17,286
Exchange rate differences on translation of foreign subsidiaries			638		638
Employee stock options				241	241
Rights issue					0
Issue expenses		-453			-453
<b>Total equity at June 30, 2019</b>	<b>6,135</b>	<b>200,727</b>	<b>2,494</b>	<b>-58,808</b>	<b>150,548</b>

**Consolidated Statement of Cash Flows**

KSEK	Apr -June 2019	Apr -June 2018	Jan-June 2019	Jan-June 2018	Full year 2018
<b>Operating cash flow</b>					
Income after financial items	-9,155	-5,542	-18,663	-9,641	-26,763
Adjustment for depreciations	3,118	161	6,227	279	5,497
Other adjustments for items not included in cash flow	558	161	537	282	372
<b>Cash flow after operating activities before changes in working capital</b>	<b>-5,479</b>	<b>-5,220</b>	<b>-11,899</b>	<b>-9,080</b>	<b>-20,894</b>
<b>Cash flow from changes in working capital</b>					
Changes in inventories and work in progress	185	-90	-935	-62	102
Changes in current receivables	2,180	-307	2,014	-219	-2,759
Changes in current liabilities	-1,137	480	-4,215	560	5,818
<b>Cash flow from operating activities</b>	<b>-4,251</b>	<b>-5,137</b>	<b>-15,035</b>	<b>-8,801</b>	<b>-17,733</b>
<b>Investing activities</b>					
Acquisition of intangible fixed assets	-1,221	-1,898	-2,348	-4,526	-9,439
Acquisition of tangible fixed assets	-	-	-	-	-
Acquisition of subsidiaries net of cash and cash equivalents	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-1,221</b>	<b>-1,898</b>	<b>-2,348</b>	<b>-4,526</b>	<b>-9,439</b>
<b>Financing activities</b>					
New issue	-453	-27	-453	24,837	51,100
New loan and loan amortisation	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-453</b>	<b>-27</b>	<b>-453</b>	<b>24,837</b>	<b>51,100</b>
<b>Changes in cash and cash equivalents</b>	<b>-5,925</b>	<b>-7,062</b>	<b>-17,836</b>	<b>11,510</b>	<b>23,928</b>
Cash and cash equivalents at the start of the period	20,755	27,310	32,666	8,738	8,738
Cash and cash equivalents at the end of the period	14,830	20,248	14,830	20,248	32,666



## Parent Company Income Statement

KSEK	Note	Apr -June 2019	Apr -June 2018	Jan-June 2019	Jan-June 2018	Full year 2018
Sales revenue		1,218	381	1,603	388	3,214
Cost of goods sold		-1,117	-1,190	-1,717	-1,525	-3,875
<i>of which goods</i>		-654	-797	-794	-919	-2,246
<i>of which salaries</i>		-110	-27	-188	-41	-338
<i>of which external services</i>		-8	-220	-45	-315	-420
<i>of which depreciation</i>		-345	-146	-690	-250	-871
<b>Gross income</b>		<b>101</b>	<b>-809</b>	<b>-114</b>	<b>-1,137</b>	<b>-661</b>
Selling and administrative expenses	1	-6,526	-4,668	-13,019	-8,473	-21,241
Other operating income		233	77	386	262	372
Other operating expenses		-148	-54	-279	-94	-261
<b>Operating income</b>		<b>-6,340</b>	<b>-5,454</b>	<b>-13,026</b>	<b>-9,442</b>	<b>-21,791</b>
Write-down of shares in group companies		-	-	-	-	-13,100
Financial income		-	-	-	-	-
Financial expenses		-1	-1	-1	-	-3
<b>Total financial items</b>		<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-13,103</b>
<b>Income after financial items</b>		<b>-6,341</b>	<b>-5,455</b>	<b>-13,027</b>	<b>-9,442</b>	<b>-34,894</b>
<b>Net income</b>		<b>-6,341</b>	<b>-5,455</b>	<b>-13,027</b>	<b>-9,442</b>	<b>-34,894</b>

## Parent Company Balance sheet

KSEK	Note	30 June 2019	30 June 2018	31 Dec 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		55,263	49,315	53,605
Machinery and equipment		149	208	179
Financial assets		11,142	24,101	11,010
<b>Total non-current assets</b>		<b>66,554</b>	<b>73,624</b>	<b>64,794</b>
<b>Current assets</b>				
Inventories		1,895	1,125	961
Accounts receivables		434	161	2,713
Other current assets		940	651	805
Prepaid expenses and accrued income		686	617	591
Cash and cash equivalents		14,402	20,006	32,231
<b>Total current assets</b>		<b>18,357</b>	<b>22,560</b>	<b>37,301</b>
<b>TOTAL ASSETS</b>		<b>84,911</b>	<b>96,184</b>	<b>102,095</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>78,769</b>	<b>90,614</b>	<b>91,793</b>
<b>Provisions</b>		<b>-</b>	<b>500</b>	<b>-</b>
<b>Current liabilities</b>				
Accounts payable		2,205	2,509	4,794
Other liabilities		1,017	547	1,203
Accrued expenses and prepaid income		2,920	2,014	4,305
<b>Total current liabilities</b>		<b>6,142</b>	<b>5,070</b>	<b>10,302</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>84,911</b>	<b>96,184</b>	<b>102,095</b>

**NOTE 1 - Selling and administrative expenses**

	Apr -June 2019	Apr -June 2018	Jan-June 2019	Jan-June 2018	Full year 2018
<b>KSEK</b>					
Salaries	3,062	1,840	5,721	3,512	10,939
Office expenses	141	137	312	275	577
Consultants	2,304	2,135	4,936	3,537	7,388
Travelling expenses	342	137	511	385	798
Marketing expenses	343	156	600	287	812
Depreciation	97	97	195	195	389
Other expenses	265	254	873	481	743
<b>Total selling and administrative expenses</b>	<b>6,554</b>	<b>4,756</b>	<b>13,148</b>	<b>8,672</b>	<b>21,646</b>



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