



Q3

Quarterly report

Senzime AB (publ.)

January – September 2023

JANUARY – SEPTEMBER 2023 IN BRIEF

THIRD QUARTER 2023 (1 JULY – 30 SEPTEMBER)

- Net sales amounted to TSEK 9,154 (3,720), an increase of 146 percent. Sales of instruments/others TSEK 4,510 (1,201), an increase of 275 percent. Sales of disposables TSEK 4,644 (2,519), an increase of 84 percent.
- Currency neutral net sales increased by 136 percent.
- Gross margin excl. amortization was 69.4 percent (69.6).
- Operating expenses amounted to TSEK 32.841 (28.194) and adjusted operating expenses² amounted to TSEK 31.822 (28.194).
- EBITDA amounted to TSEK -25.477 (-24.727). Adjusted for one-time expenses², EBITDA amounted to TSEK -24.457 (-24.727).
- Profit (loss) after financial items was TSEK -30.587 (-29.800).
- Earnings per share SEK -0.33 (-0.41).
- Cash and cash equivalents as of September 30, TSEK 69,735 (58,389)

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Senszime increases production capacity based on increased demand and calls from European and American anesthesia societies.
- Senszime receives its largest order to date for 110 TetraGraph systems from the top-10 ranked US hospital system.
- Senszime contracts and begins shipping TetraGraph systems to one of America's leading healthcare providers and not-for-profit health systems (IDNs).
- In August, Senszime carries out a directed issue of approximately SEK 56 million at market pricing and a directed issue in September of SEK 117 million at a premium pricing compared to the weighted historical rate. Cash transfers to the company during October month.
- Senszime applies for trading of its shares on the OTCQX market in the USA.
- Senszime issues a second tranche of consideration shares to sellers of Respiratory Motion as planned.

EVENTS AFTER THE END OF THE THIRD QUARTER

- Senszime signs contract with top 10-ranked US university hospital in Eastern US.
- Launch of TetraSensitive, the market's first sensor for neuromuscular monitoring of patients with sensitive skin.

Figures in parentheses above describe the corresponding period in the previous year. Unless otherwise stated, all information refers to the group.

1. Adjusted for currency effects and RMI acquired in the third quarter of 2022

2. Adjusted for the company's former CEO's severance costs, company financing and related costs

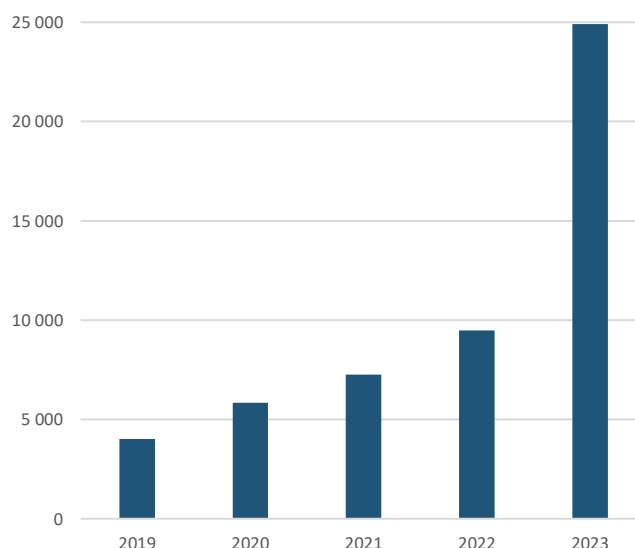
Q1-Q3 2023 (1 JANUARY – 30 SEPTEMBER)

- Net sales amounted to TSEK 24,904 (9,484), an increase of 163 percent. Sales of instruments/others TSEK 12,026 (5,083) an increase of 137 percent. Sales of disposables TSEK 12,878 (4,402), an increase of 193 percent.
- Adjusted net sales¹ increased by 125 percent.
- Gross margin excl. amortization was 69.3 percent (60.5).
- Operating expenses amounted to TSEK 102,320 (88,121) and adjusted operating expenses² amounted to TSEK 95,474 (71,321)
- EBITDA amounted to TSEK -82,138 (-80,895). Adjusted for one-time expenses², EBITDA amounted to TSEK -75,292 (-64,096 adjusted for RMI acquisition costs).
- Profit (loss) after financial items was TSEK -97,542 (-91,666).
- Earnings per share SEK -1,16 (-1,37).

OTHER SIGNIFICANT EVENTS DURING Q1-Q3

- Philip Siberg is appointed new CEO. Adam Dahlberg is elected as new Chairman of the Board and Göran Brorsson as new Board Member.
- Expanded collaboration with Japanese licensee Fukuda Denshi and initial system deliveries.
- Out-licensing of ExSpirom on the Chinese market.
- The rights issue in March added SEK 92 million to the company before transaction costs.

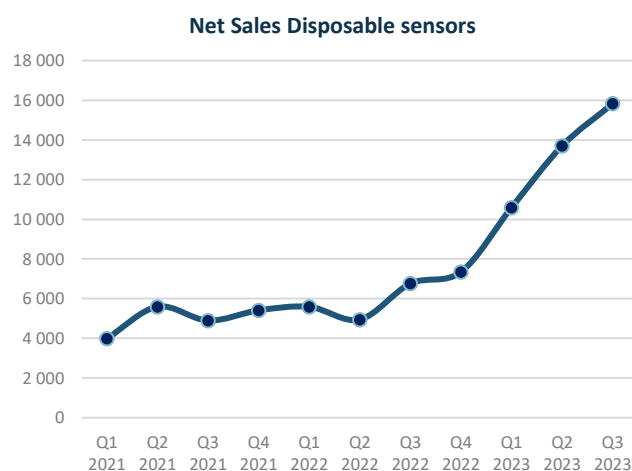
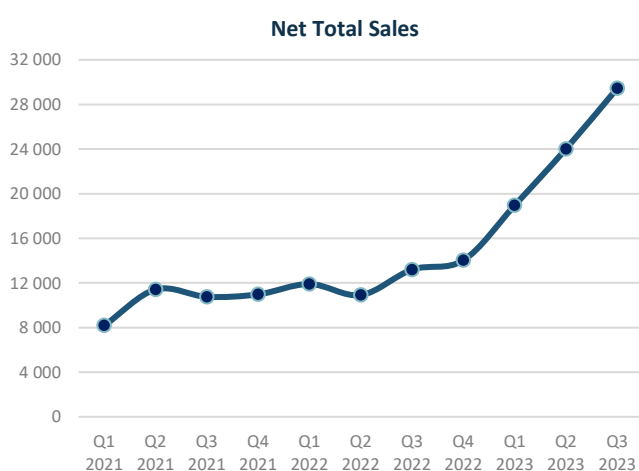
NET SALES Q1-Q3 (TSEK)



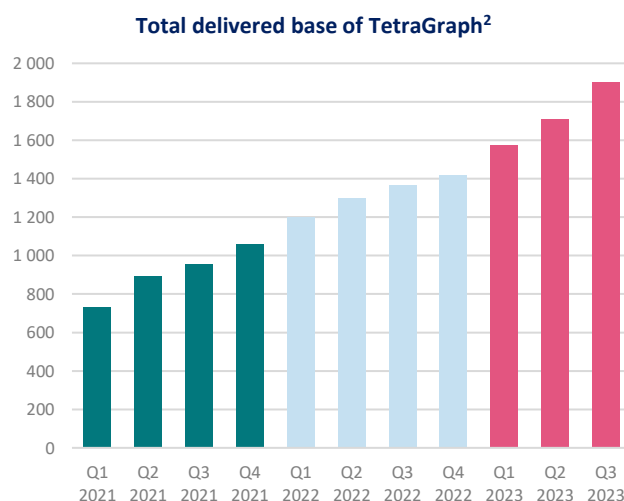
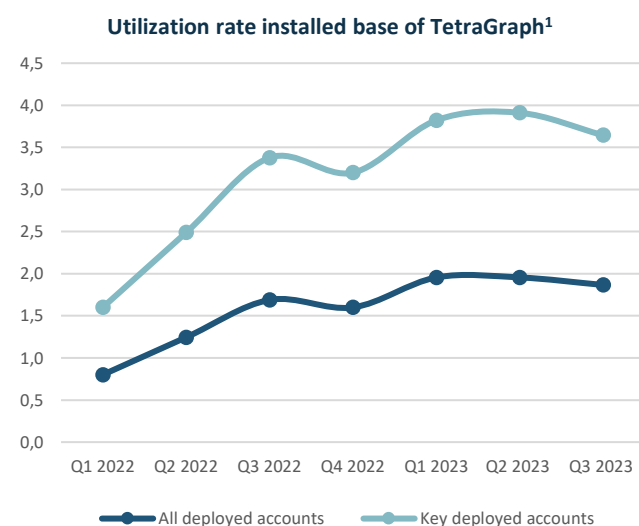
Key performance indicators

TSEK	Q3		Q1-Q3		TOT YEAR
	2023	2022	2023	2022	2022
Net Sales	9,154	3,720	24,904	9,484	14,034
EBITDA	-25,477	-24,727	-82,138	-80,895	-118,353
Profit (loss) after financial items	-30,587	-29,800	-97,542	-91,666	-134,358
Earnings per share (SEK)	-0.33	-0.41	-1.16	-1.37	-1.99
Gross margin excl. amortization (%)	69.4	69.6	69.3	60.5	62.0
Solidity (%)	84.1	80.1	84.1	80.1	81.4

SALES 12-MONTHS ROLLING (TSEK)



KPIs ROLLOUT OF TETRAGRAPH



Comment: (1) Calculated based on number of TetraSens electrodes shipped divided by installed base of TetraGraph monitors, in focus markets (US, Germany and EU distributors). The figure refers to the number of TetraSens per TetraGraph monitor per week, calculated on 45 working weeks per year. "All deployed accounts" refers to all accounts in focus markets with installed TetraGraphs, and "Key deployed accounts" refers to key accounts in focus markets. (2) Refers to all accumulated deliveries of TetraGraph monitors to end customers, distributors and partners. Some of the delivered base is still in stock at sales partners or has not yet been installed in a hospital environment.

KPI NUMBER OF CUSTOMERS (HOSPITAL ACCOUNTS)

At the end of Q3, the company had a total of 161 customers (vs. 111 customers at the end of December 2022) in the main markets (USA, Europe and Australia/New Zealand).

Strong growth and secured long-term financing

It has been another eventful and strong quarter for Senzime. We continue to report strong growth and net sales increased by 146 percent to SEK 9.2 million. Our best quarter ever. 12-month rolling sales are just under SEK 30 million, a threefold increase compared to the same period last year. The sales volumes at the end of the third quarter were even higher with a 12-month run rate of around SEK 50 million.

Sales growth is driven by new strategic hospital orders and recurring sales of disposable sensors to the installed base of TetraGraph systems. Sales of disposable sensors have almost tripled this year, which is an important signal that the utilization rate of the TetraGraph systems is gradually increasing. The reported utilization rate fell slightly during the quarter, which is a function of many new monitors being delivered.

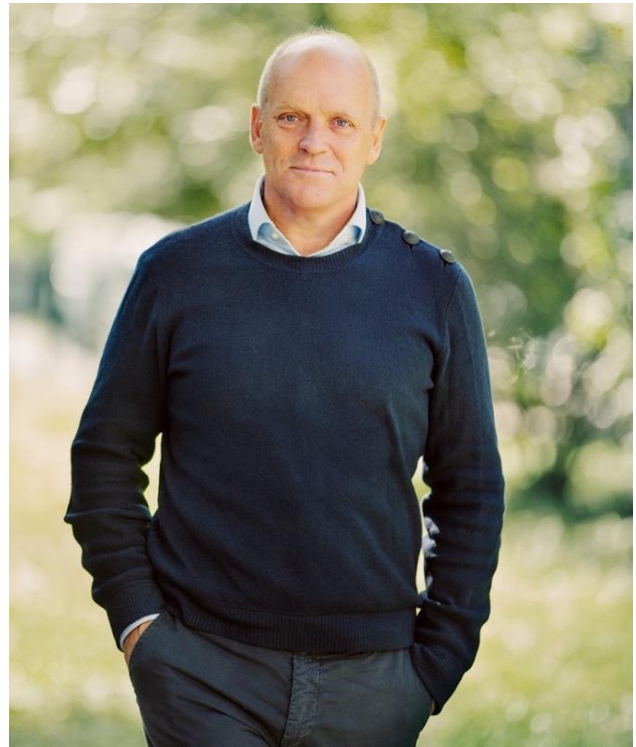
The gross margin is in line with expectations and amounted to 69.3 percent before depreciation during the first nine months of the year, to be compared with 60.5 percent during the same period last year. This is the result of product mix, licensing income and an efficient production process.

The important US business continues to develop well and during the quarter we won several important hospital contracts for the TetraGraph system. The contracts are all the result of extensive clinical and competitive evaluations. We win by offering the most clinically relevant, user-friendly and long-term sustainable solutions. Nevertheless, our complete product offering, our team and our commitment to increased patient safety are valued. Senzime is perceived as the reliable, long-term supplier with the ability to efficiently carry out large-scale implementations.

Major US business wins include a leading university hospital system in Southern California, a top-10 ranked hospital system in Northern California, as well as a contract with one of America's leading healthcare providers and not-for-profit health systems, known as Integrated Delivery Networks, or IDN, which provides healthcare to several million members. These individual deals alone correspond to the production volume and delivery targets of TetraGraph systems and sensors that we announced at the beginning of the quarter.

Other markets also report solid growth. Our sales organization in Germany continues to secure wins of hospital accounts. The deals usually start with a small number of monitors but gradually grow over time. We also note increasing interest in the ExSpiron system through our sales channels, but sales cycles are currently longer than for TetraGraph.

A catalyst of growth are the new clinical guidelines that were published last winter, which now accelerate the transition to quantitative and algorithm-based monitoring of neuromuscular function in every operating room. We just wrapped up the large annual ASA 2023 congress and the interest in Senzime and our solutions was record high.



During the third quarter, we carried out two successful and efficient private placements for a total of SEK 173 million. We were able to raise the capital without discount and attract long-term investors such as the Crafoord family and the Crafoord Foundation, SHB Fonder, Carnegie Fonder, Swedbank Robur, AP4 and Segulah Medical Acceleration. The capital gives us continued power to grow towards profitability. At the same time, margins and operating costs continue to be optimized and once again we report a quarter with reduced adjusted operating costs.

Senzime has a growing share of American investors and interest in the company has rapidly increased in the US market. I expect that we will be approved for trading on the OTCQX list in New York already at the end of October, which will open the way to more easily trade in our share in the US beyond our Nasdaq Stockholm listing.

The truly commercial breakthrough for Senzime is happening here and now. It has been a long journey and today Senzime is the only supplier offering a comprehensive portfolio of neuromuscular monitoring solutions that meet the new clinical guidelines for adults, pediatrics, and patients with sensitive and delicate skin.

The focus continues to be profitable growth, drive up the utilization rate of our systems, lead in innovation and scale up with the support of smart partnerships. I look forward to sharing more exciting news along the way.

Uppsala, October 2023
Philip Siberg, CEO

Comments to the Report

Revenue and profit in the third quarter 2023

The group's net sales for the third quarter of 2023 amounted to TSEK 9,154 (3,720), which corresponds to an increase of 146 percent compared to the third quarter of the previous year. Adjusted for currency changes, sales increased by 136 percent.

The growth was primarily driven by increased sales of TetraGraph monitors in the US market and continued increased sales of TetraSens sensors in all markets. Monitor sales increased by 259 percent driven by a number of major hospital wins primarily in the United States. Sales of disposable sensors increased by 77 percent adjusted for currency changes. In the US, underlying sales, adjusted for currency effects, increased by 186 percent. In the main markets, it was primarily the installed base of monitors that drove sensor sales growth.

The gross margin before depreciation during the third quarter amounted to 69.4 percent, compared to 69.6 percent for the corresponding quarter last year. A marginal decrease which is mainly attributable to product and customer mix where increased share of total sales comes from sales of TetraGraph monitors which have lower margins than the disposable sensors. Licensing income from Japan helped strengthen the margin during the quarter.

During the third quarter, the group's total operating expenses amounted to TSEK 32,841 (28,194). Adjusted for non-recurring costs related to company financing and, among other things, legal support and work with the issuance of the second tranche of the RMI issue and preparations for the issuance of the next tranche, the total operating costs amounted to TSEK 31,822 (27,794). Continued planned expansion of the sales and marketing organization in the USA as well as negative currency effects of approximately SEK 1.1 million have contributed to cost increases compared to the corresponding quarter of the previous year.

Operating profit during the third quarter amounted to TSEK -30,594 and adjusted TSEK -29,575, (-29,589 and adjusted TSEK -29,189).

Bridge adjusted OPEX

TSEK	Q3		Jan-Sep	
	2023	2022	2023	2022
OPEX - reported	32 841	28 194	102 320	88 121
Severance CEO	-	-	-4 107	-
Corporate financing and related expensess	-1 019	-	-2 739	-
RMI acquisition expensess	-	-400	-	-16 800
OPEX - adjusted	31 822	27 794	95 474	71 321
EBITDA - reported	-25 477	-24 727	-82 138	-80 895
EBITDA - adjusted	-24 458	-24 327	-75 292	-64 095
EBIT - reported	-30 594	-29 589	-97 274	-91 420
EBIT . Adjusted	-29 575	-29 189	-90 428	-74 620

Revenue and profit January – September 2023

Net sales amounted to TSEK 24,904 (9,484), which corresponds to an increase of 163 percent compared to the same period last year. Adjusted for sales of RMI products and currency changes, sales increased by 125 percent.

The growth is mainly attributable to direct sales on the US market to new customers as well as recurring sales of TetraSens disposable electrodes to existing customers. In the US, underlying sales, adjusted for currency and RMI, increased by 190 percent.

The gross margin before depreciation during the period amounted to 69.3 percent, compared to 60.5 percent the previous year. The increase is primarily attributable to product and customer mix, where an increased share of total sales comes from the sale of disposable sensors TetraSens and TetraSens Pediatric, above all in the US market. The license agreements in China and Japan have also contributed to increased margins during the period.

The group's total operating expenses amounted to TSEK 102,320 (88,121). Adjusted for one-off costs this year related to CEO change and company financing and, among other things, legal support and work with the issuance of the second tranche of the RMI issue and preparations for the issuance of the next tranche, the total operating costs amounted to TSEK 95,474 (71,321 adjusted for RMI acquisition costs). Continued planned expansion of the sales and marketing organization in the US, integration of the RMI organization from the acquisition in 2022 which means 9 months of costs in 2023 to compare with 3 months of costs in the same period last year, as well as negative currency effects of approx. SEK 3.6 million have contributed to cost increases compared to the corresponding period of the previous year.

The operating profit for the period amounted to TSEK -97,274, adjusted TSEK -90,428 (-61,831, adjusted -45,431)

TSEK Jul-Sep	Reported			RMI adjusted	RMI and currency adjusted
	2023	2022	Growth	Growth	Growth
US	7,259	2,466	194%	194%	186%
Devices/Other	3,788	441	760%	760%	731%
Disposables	3,471	2,025	71%	71%	68%
Europa	1,472	958	54%	54%	40%
Devices/Other	566	464	22%	22%	12%
Disposables	906	494	84%	84%	67%
RoW	424	297	43%	43%	31%
Devices/Other	157	297	-47%	-47%	-50%
Disposables	267	-	n/a	n/a	n/a
Senzime Jul-Sep	9,154	3,720	146%	146%	136%
Devices/Other	4,510	1,201	275%	275%	259%
Disposables	4,644	2,519	84%	84%	77%

TSEK Jan-Sep	Reported			RMI adjusted	RMI and currency adjusted
	2023	2022	Growth	Growth	Growth
US	16,442	4,981	230%	207%	190%
Devices/Other	7,156	2,032	252%	251%	220%
Disposables	9,286	2,949	215%	177%	168%
Europa	5,836	3,989	46%	45%	34%
Devices/Other	2,964	2,560	16%	14%	5%
Disposables	2,872	1,429	101%	100%	83%
RoW	2,626	515	410%	201%	179%
Devices/Other	1,905	491	288%	69%	58%
Disposables	721	24	2,890%	2,890%	2,607%
Senzime Jan-Sep	24,904	9,484	163%	138%	125%
Devices/Other	12,026	5,083	137%	114%	100%
Disposables	12,878	4,402	193%	167%	154%

Financial position

At the end of the third quarter, the group's equity amounted to TSEK 307,879 (310,911). The equity ratio amounted to 84.1 percent (80.1). At the end of the period, the company's cash and cash equivalents amounted to TSEK 69,735 (58,389). During the quarter, the company carried out a directed issue of approximately SEK 56 million at the prevailing market rate. Furthermore, another targeted issue was announced in September, which during the month of October 2023 will bring the company an additional SEK 117 million before issue costs. Through the issues, it is the assessment of the board and management that the business is financed beyond a period of twelve months.

Cash-flow and investments

Cash flow from current operations, including changes in working capital, amounted to TSEK -23,545 (-67,469) for the third quarter. The negative cash flow is mostly due to the negative result balanced by positive change in working capital. The cash flow from investment activities for the third quarter amounted to TSEK -1,326 (-29). Investments during the period are largely related to the activation of development projects. Cash flow from financing activities amounted to TSEK 53,210 (-1,142) for the third quarter. During the third quarter, a directed issue of SEK 56 million was carried out before transaction costs.

The cash flow from current operations including changes in working capital for the period January-September 2023 amounted to TSEK -84,751 (-107,342). The negative cash flow is mostly due to the negative result and negative change in working capital which is mostly reflected in the increase in accounts receivable due to increased sales. Increased sales and better planning have also contributed to a certain reduction in inventory. Cash flow from investment activities for the period January – September 2023 amounted to TSEK -5,669 (-3,753) and is largely related to the activation of development projects. Cash flow from financing activities for the period January – September 2023 amounted to TSEK 134,212 (93,299). During the month of March 2023, Senzime carried out a rights issue and during the month of August a directed issue, which together provided the company with approx.

SEK 148 million before issue and guarantee costs or approx. SEK 136 million after issue and guarantee costs.

Stock options

Employee stock options

The group has five employee option programs with a total of 3,315,000 options, of which 500,000 options have expired. See Note 8 for detailed descriptions.

Dilution

Based on the existing number of shares and outstanding staff and warrants, the dilution as a result of the programs, assuming that all options (including not yet assigned) are used for new shares, is calculated to amount to a maximum of 3.3 percent. Adjusted for expired options, the corresponding figure is 2.8 percent.

Parent company and subsidiaries

Most of the group's operations are conducted in the parent company. For comments on the parent company's results of operations, see the comments on the group. US company Respiratory Motion, Inc. was acquired in the third quarter 2022, and is a 100%-owned subsidiary of Senzime AB. US company Senzime, Inc. started operating activities in the second quarter 2020. Sales in the USA are conducted in-house. German subsidiary Senzime GmbH started operations in the first quarter 2021. The group's two other subsidiaries exclusively hold certain rights that have been licensed to the parent company against royalty payments.

Sustainability

Senzime's operations contribute to improved global health and patient safety by reducing anesthetic and breathing-related complications and lowering healthcare costs in connection with surgical procedures and emergency treatments. Senzime's sustainability work supports the commitment to patients and strives for sustainable development based on responsible action and in line with the fundamental values.

During the fourth quarter of 2022, Senzime carried out a materiality analysis and initiated stakeholder dialogues. An

important part of the basic sustainability work is also that Senzime in 2023 signed the UN Global Compact, which means that the company commits to operating the business according to their 10 principles, which include labor law, human rights, anti-corruption and the environment.

Other significant events in the quarter

A new US study confirmed the clinical benefits of the TetraGraph system for young children. The study was the first of its kind to use an EMG-based disposable sensor and monitor to monitor neuromuscular activity in children. The study showed that TetraSens Pediatric together with TetraGraph enables reliable neuromuscular monitoring of children of all ages and for all types of surgery.

During the month of July, the board of Senzime carried out a directed share issue in connection with the acquisition of Boston-based Respiratory Motion Inc, which was carried out on June 1, 2022. According to the agreements for the transaction, the initial consideration, after customary adjustments for net debt and normalized working capital, is to be paid in the form of 8,477 937 shares in Senzime to the sellers of Respiratory Motion who, on July 1, 2023, at the latest, fulfilled certain conditions agreed in the transaction for obtaining the shares. Each seller who fulfills the conditions by the last-mentioned date receives his share of the initial consideration, which is offset against the subscription proceeds for the seller's share of the consideration shares. The new issue was carried out with the support of the issue authorization from the general meeting on May 16, 2023, and amounted to 5,055,954 shares at a subscription price of SEK 18.59 per share. The subscription price per share corresponded to the volume-weighted price (VWAP) for the twenty trading days up to and including May 31, 2022. Eligible for subscription were the sellers of Respiratory Motion who met the conditions for obtaining shares on July 1, 2023. Payment for the shares was made by offsetting against the sellers' shares in the initial consideration. The reason for the deviation from the shareholders' preferential right is to complete the transaction in accordance with the agreements entered into. As a result of difficulties in transferring shares to US securities accounts, the board of Senzime has further decided to allow an extension of the end date for the sellers' fulfillment of conditions for obtaining shares in the transaction to August 31, 2023. The new issue entailed a dilution of approximately 6 percent of the number of shares and voices in Senzime. The number of shares and votes in Senzime increased through the new issue by 5,055,954 from 82,566,660 to 87,622,614. The share capital increased by SEK 631,994.25 from SEK 10,320,832.50 to SEK 10,952,826.80

The dialogue between Senzime's US subsidiary Senzime Inc. and Florida-based Mercury Medical related to the termination of a distribution agreement in 2022 continued during the quarter with the goal of finding a solution.

In October, it was announced that the company had signed a contract with a top 10-ranked American university hospital in the eastern United States

After the end of the quarter, Senzime launched TetraSensitive, the market's first sensor for neuromuscular monitoring of patients with sensitive skin.

Risks and uncertainty factors

A number of risk factors can have a negative impact on the operations of Senzime. It is therefore of great importance to consider relevant risks alongside the company's growth opportunities. An account of the group's significant financial and business risks can be found in the management report and in the annual report for 2022. No further significant risks are deemed to have arisen.

Outlook

Like many other companies, Senzime has faced major challenges as a consequence of the Covid-19 pandemic. The basic need for neuromuscular monitoring has not diminished, although operations have been postponed accommodating and allow for the availability of medical personnel. The pandemic has affected the number of new trials in 2020 and 2021. Access to the hospitals has varied between different countries. However, Senzime has seen increased access to the hospitals in 2022 and now in 2023. Senzime has no operations in either Russia, Ukraine, Israel, and Palestine.

Review

This interim report has been subject to review by the company's auditors.

Significant events after the end of the quarter

Board of Directors' certification

The Board of Directors and CEO certify that this interim report gives a true and fair view of the parent company's and the group's operations, financial position, and results of operations, and reviews the significant risks and uncertainties faced by the parent company and companies in the group.

Uppsala October 26, 2023

Adam Dahlberg
Chairman of the Board

Sorin J. Brull
Board member

Laura Piccinini
Board member

Göran Brorsson
Board member

Eva Walde
Board member

Jenny E Freeman
Board member

Philip Siberg
Chief Executive Officer

Auditor's review report

Senzime AB (publ.) corp. ID no. 556565-5734

Introduction

We have performed an overview review of the interim financial information in summary (interim report) for Senzime AB (publ) as of September 30, 2023, and the nine-month period ending on this date. It is the board and the CEO who are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion about this interim report based on our summary review.

Scope of review

We have performed our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information by the Company's Appointed Auditor. A summary review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical review and performing other summary review procedures. A general review has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to ISA and good auditing practice in general. The review procedures performed in a summary review do not enable us to obtain such assurance that we are aware of all significant matters that could have been identified if an audit had been performed. The stated conclusion based on a cursory review therefore does not have the certainty that a stated conclusion based on an audit has.

Conclusion

Based on our overview review, no circumstances have come to light that give us reason to consider that the interim report is not, in all material respects, prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Uppsala, October 26, 2023

Öhrling PricewaterhouseCoopers AB

Lars Kylberg

Authorized Public Accountant

Condensed Consolidated Statement of Comprehensive Income

Amounts in SEK thousands	Note	Q3		Jan-Sep		Full-year
		2023	2022	2023	2022	2022
Net sales	2	9,154	3,720	24,904	9,484	14,034
Cost of goods sold	3	-6,907	-5,116	-19,858	-12,784	-18,429
Gross profit (loss)		2,247	-1,396	5,046	-3,300	-4,395
Development expenditure	4	-4,177	-5,285	-14,480	-13,002	-19,463
Selling expenses	4	-18,359	-20,011	-55,350	-46,570	-70,045
Administrative expenses	4,5,8	-9,773	-8,229	-35,392	-36,186	-44,340
Other operating income		3,964	7,675	10,430	13,100	16,461
Other operating expenses		-4,496	-2,343	-7,528	-5,462	-12,123
Earnings before interest and taxes		-30,594	-29,589	-97,274	-91,420	-133,905
Financial income		190	-	369	-	-
Financial expenses		-183	-211	-637	-246	-453
Financial items - net		7	-211	-268	-246	-453
Profit (loss) after financial items		-30,587	-29,800	-97,542	-91,666	-134,358
Income tax		413	883	2,201	1,852	1,658
Profit (-loss) for the period		-30,174	-28,917	-95,341	-89,814	-132,700

Amounts in SEK thousands	Note	Q3		Jan-Sep		Full-year
		2023	2022	2023	2022	2022
Profit (-loss) for the period		-30,174	-28,917	-95,341	-89,814	-132,700
Other comprehensive income						
Items reclassifiable to profit or loss						
Translation differences		38	10,298	4,021	10,136	2,348
Total comprehensive income		-30,136	-18,619	-91,320	-79,678	-130,352

The year's profit and total comprehensive income is attributable in its entirety to the parent company's shareholders.

Earnings per share, calculated on the period's earnings attributable to the parent company's shareholders

SEK	Note	Q3		Jan-Sep		Full-year
		2023	2022	2023	2022	2022
Weighted average number of shares, before dilution	6	91,588,837	69,883,985	82,285,952	65,541,650	66,627,234
Weighted average number of shares, after dilution	6	91,588,837	69,883,985	82,285,952	65,541,650	66,627,234
Earnings per share, basic and diluted, SEK	6	-0.33	-0.41	-1.16	-1.37	-1.99

Condensed Consolidated Balance Sheet

Amounts in SEK thousands	Note	30 September		December 31
		2023	2022	2022
ASSETS				
Non-current assets				
Intangible assets		242,991	273,948	243,328
Property plant and equipment		2,596	2,299	2,285
Rights of use		12,136	15,585	13,781
Other financial assets		4,212	3,958	4,084
Total non-current assets		261,935	295,790	263,478
Current assets				
Inventories		20,823	18,069	21,652
Trade receivables and other receivables		8,327	3,665	4,210
Other receivables		3,683	4,977	4,746
Prepaid expenses and accrued income		1,682	7,094	1,721
Cash and cash equivalents		69,735	58,389	26,035
Total current assets		104,250	92,194	58,364
TOTAL ASSETS		366,185	387,984	321,842
EQUITY AND LIABILITIES				
Equity		307,879	310,911	261,903
LIABILITIES				
Non-current liabilities				
Provisions		3,477	2,714	2,886
Lease liability		9,324	11,753	10,506
Deferred tax liability		23,742	28,166	25,361
Total non-current liabilities		36,543	42,633	38,753
Current liabilities				
Lease liability		2,483	2,915	2,537
Trade payables		3,652	4,297	7,318
Other current liabilities		3,468	18,564	2,508
Accrued expenses		12,160	8,664	8,823
Total current liabilities		21,763	34,440	21,186
TOTAL EQUITY AND LIABILITIES		366,185	387,984	321,842

Condensed Consolidated Statement of Changes in Equity

Amounts in SEK thousands	Note	Attributable to parent company's shareholders			Retained earnings incl. profit (loss) for	Total equity
		Share capital	Other contributed capital	Reserves		
Opening balance January 1, 2022		7,812	397,553	1,333	-256,118	150,580
Adjustment of conversion difference				621	-621	
Adjusted opening balance as of 1 January 2022		7,812	397,553	1,954	-256,739	150,580
Profit (-loss) for the period					-89,814	-89,814
Other comprehensive income				10,136		10,136
Total comprehensive income		-	-	10,136	-89,814	-79,678
Transactions with shareholders in their capacity as owners						
Staff stock options					1,140	1,140
New share issue		1,718	242,407			244,125
Expenses attributable to new share issues			-5,256			-5,256
Total transactions with shareholders		1,718	237,151	-	1,140	240,009
Closing balance 30 September 2022		9,530	634,704	12,090	-345,413	310,911

Amounts in SEK thousands	Note	Attributable to parent company's shareholders			Retained earnings incl. profit (loss) for	Total equity
		Share capital	Other contributed capital	Reserves		
Opening balance January 1, 2023		8,735	636,729	4,302	-387,863	261,903
Profit (-loss) for the period					-95,341	-95,341
Other comprehensive income				4,021		4,021
Total comprehensive income		-	-	4,021	-95,341	-91,320
Transactions with shareholders in their capacity as owners						
Staff stock options					327	327
Nyemission		1,585	90,364			91,949
Expenses attributable to new share issues			-9,106			-9,106
Nyemission		1,563	54,687			56,250
Kostnader hämförliga till emissioner			-2,124			-2,124
Emission		632	-632			-
Total transactions with shareholders		3,780	133,189	-	327	137,296
Closing equity 30 September 2023		12,515	769,918	8,323	-482,877	307,879

Condensed Consolidated Statement of Cash Flow

Amounts in SEK thousands	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Cash flow from operating activities					
Earnings before interest and taxes	-30,594	-29,589	-97,274	-91,420	-133,905
<i>Adjustment for non-cash items</i>					
Depreciation and amortization	5,118	4,860	15,136	10,524	15,550
Other non-cash items	295	591	634	1,374	1,831
Interest paid	-	20	-92	-15	-23
Erhållen ränta	369	-	369	-	-
Income tax paid	614	435	-197	-133	-240
Cash flow from operating activities before change in working capital	-24,198	-23,683	-81,424	-79,670	-116,787
Cash flow from change in working capital					
Increase/decrease in inventories	-572	-1,559	829	-1,913	-5,496
Increase/decrease in trade receivables	-366	283	-4,117	2,407	1,862
Increase/decrease in operating receivables	1,568	1,503	1,102	979	6,583
Increase/decrease in trade payables	-59	-5,444	-3,666	-1,633	1,388
Increase/decrease in accounts payables	82	-38,569	2,525	-27,512	-24,328
Total change in working capital	653	-43,786	-3,327	-27,672	-19,991
Cash flow from operating activities	-23,545	-67,469	-84,751	-107,342	-136,778
Cash flow from investing activities					
Investments in tangible assets	44	-63	-694	-899	-979
Investments in intangible assets	-1,370	-97	-4,975	-2,985	-4,129
Investments in participations in group companies	-	131	-	131	131
Cash flow from (-used in) investing activities	-1,326	-29	-5,669	-3,753	-4,977
Cash flow from financing activities					
Payments made for repayment of lease liabilities	-900	-898	-2,741	-1,445	-2,380
New share issue, net of transaction expenses	54,110	-244	136,953	94,744	94,744
Cash flow from financing activities	53,210	-1,142	134,212	93,299	92,364
Decrease/increase in cash and cash equivalents	28,339	-68,640	43,792	-17,796	-49,391
Cash and cash equivalents at beginning of period	41,635	126,495	26,035	74,872	74,872
Exchange difference in cash and cash equivalents	-239	534	-92	1,313	554
Cash and cash equivalents at end of period	69,735	58,389	69,735	58,389	26,035

Parent company Income Statement

Amounts in SEK thousands	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Net sales	6,687	2,810	27,006	8,221	13,643
Cost of goods sold	-3,044	-1,884	-12,871	-5,370	-8,564
Gross profit (loss)	3,643	926	14,135	2,851	5,079
Development expenditure	-2,771	-2,564	-9,714	-10,281	-14,728
Selling expenses	-6,279	-4,008	-25,046	-27,806	-64,491
Administrative expenses	-8,234	-5,571	-30,959	-17,528	-25,007
Other operating income	3,953	7,619	10,439	13,036	16,043
Other operating expenses	-4,416	-2,338	-7,089	-5,457	-12,073
Earnings before interest and taxes	-14,104	-5,936	-48,234	-45,185	-95,177
Financial income	1,913	-	4,950	-	1,598
Financial expenses	-	-1	-28	-3	-2
Financial items - net	1,913	-1	4,922	-3	1,596
Profit (loss) after financial items	-12,191	-5,937	-43,312	-45,188	-93,581
Profit (-loss) for the period	-12,191	-5,937	-43,312	-45,188	-93,581

In the parent company, there are no items reported as other comprehensive income, which is why total comprehensive income corresponds to the period's result.

Parent Company Balance Sheet

Amounts in SEK thousands	Note	30 September		December 31
		2023	2022	2022
ASSETS				
Non-current assets				
Intangible fixed assets		24,441	20,255	20,914
Property plant and equipment		1,276	1,335	1,457
Financial assets		273,153	250,101	246,194
Total non-current assets		298,870	271,691	268,565
Current assets				
Inventories		17,056	9,421	13,663
Trade receivables and other receivables		4,194	5,671	5,856
Receivables from Group companies		7,280	4,782	2,560
Prepaid expenses and accrued income		1,660	1,276	1,987
Cash and bank balances		66,387	54,867	20,434
Total current assets		96,577	76,017	44,500
TOTAL ASSETS		395,447	347,708	313,065
EQUITY AND LIABILITIES				
Equity				
Restricted equity		40,256	32,567	32,557
Non-restricted equity		321,441	281,855	235,161
Total equity		361,697	314,422	267,718
LIABILITIES				
Non-current liabilities				
Provisions		3,477	2,714	2,886
Total non-current liabilities		3,477	2,714	2,886
Current liabilities				
Trade payables		3,169	2,930	5,820
Liabilities to Group companies		15,152	5,970	29,617
Other current liabilities		2,146	18,072	2,239
Accrued expenses		9,806	3,600	4,785
Total current liabilities		30,273	30,572	42,461
TOTAL EQUITY AND LIABILITIES		395,447	347,708	313,065

Notes on the consolidated accounts

Not 1. Accounting policies

This condensed Interim Report for the second quarter ending on June 30, 2023, has been prepared in accordance with IAS 34 "Interim Financial Reporting." The term "IFRS" in this document includes the application of IAS and IFRS, as well as their interpretations as published by the IASB Standards Interpretation Committee (SIC) and the IFRS Interpretations Committee (IFRIC). Application of the accounting policies is consistent with the annual accounts for the financial year ending on December 31, 2022, and should be read in conjunction with this Interim Report. There have been no amendments to IFRS in 2023 considered to have a material impact on the results of operations and financial position of the group. Unless specifically stated otherwise, all amounts are stated in thousands of Swedish kronor (SEK 000) information in brackets is for the comparative year.

Not 2. Division of net Sales

Amounts in SEK thousands	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Devices/Other	4,511	1,201	12,026	5,083	6,686
- there of royalties	45	38	1,246	148	272
Disposables	4,644	2,519	12,878	4,402	7,348
Total	9,154	3,720	24,904	9,484	14,034

Not 3. Costs of goods sold

Amounts in SEK thousands	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Cost of materials	2,356	722	6,168	2,956	3,862
Personnel expenses	252	303	680	398	672
External services	133	52	589	252	537
Depreciation and amortization	4,166	4,039	12,421	9,178	13,358
Total	6,907	5,116	19,858	12,784	18,429

Not 4. Development, selling and administrative expenses by nature of cost

Amounts in SEK thousands	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Personnel expenses	18,326	20,168	63,091	49,424	72,905
Consulting expenses	7,144	5,688	20,985	16,002	22,285
Depreciation and amortization	138	109	420	259	501
Other expenses	6,701	7,560	20,725	30,073	38,157
Total	32,309	33,525	105,222	95,758	133,848

Not 5. Transactions with related parties

During the period, two board members invoiced TSEK 1,902 (1,118) on market terms, for performed consulting services linked to the company's operational activities.

The services are mainly performed by Sorin Brull KSEK 957 (905) and Jenny Freeman KSEK 945 (213).

NOT 6. Earnings per share

SEK	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Basic earnings per share	-0.33	-0.41	-1.16	-1.37	-1.99
Diluted earnings per share	-0.33	-0.41	-1.16	-1.37	-1.99
Performance measure used in the calculation of earnings per share					
	Profit (-loss) for the period	Profit (-loss) for the period	Profit (-loss) for the period	Profit (-loss) for the period	Profit (-loss) for the period
Results attributable to the parent company's shareholders are used					
Result attributable to the parent company's shareholders, SEK thousand	-30,174	-28,917	-95,341	-89,814	-132,700
No.					
Weighted average no. of ordinary shares for calculating basic earnings per share	91,588,837	69,883,985	82,285,952	65,541,650	66,627,234
Stock options					
Weighted average no. of ordinary shares and potential shares used as denominator for calculating diluted earnings per share	91,588,837	69,883,985	82,285,952	65,541,650	66,627,234

Earnings per share after dilution are not reported as it gives better earnings per share because the period's earnings are negative. In the rights issue carried out during Q1 there is a bonus issue element, the effect is however insignificant as the subscription rights had a low value when the issue was not fully subscribed. Consequently, no recalculation has been made

Share capital history

Date	Event	Number of shares	Share capital (SEK)	Quotient value (SEK)
Jan 1, 2023	Opening	69,883,985	8,735,498	0,125
March 11, 2023	New right share issue	12,682,675	1,585,334	0,125
July 5, 2023	Set-off share issue RMI part 2	5,055,954	631,994	0,125
August 24, 2023	New directed share issue	12,500,000	1,562,500	0,125
Total September 30, 2023		100,122,614	12,515,327	0,125

In connection with the acquisition of Respiratory Motion Inc., which was announced on June 1, 2022, Senzime AB (publ) has undertaken to issue up to 8,477,937 shares in one or more tranches as initial consideration. A first tranche consisting of 2,127,537 shares was carried out on July 1, 2022. On July 5, 2023, the board of Senzime, with the support of the issuance authorization from the general meeting on May 16, 2023, decided to issue a second tranche of 5,055,954 shares to the seller of Respiratory Motion who met the conditions for obtaining shares on July 1, 2023.

The board decided on 24 August 2023, with the support of authorization from the general meeting on 16 May 2023, to carry out a directed new issue of shares at a subscription price of SEK 4.50 per share. The subscription price corresponded to the average price for the company's share on Nasdaq Stockholm during the trading day of August 23, 2023. The issue raised SEK 56.25 million (before transaction-related costs), of which approx. SEK 5.1 million - which was subscribed by the shareholder and chairman of the board Adam Dahlberg - and required approval at Extraordinary general meeting. A number of existing shareholders participated in the Issue, including institutional owners such as Fjärde AP-fonden, Crafoordska stiftelsen and Handelsbanken Fonder AB

Not 7. Alternative performance measures

Senzime has defined the following alternative measures.

Performance measure	Definition	Motive for use
Gross margin excl. amortization	Gross profit (loss) excl. amortization of intangible assets divided by net sales	The group uses the alternative performance measure gross margin excluding amortization because it illustrates the impact of amortization of capitalized development expenditure on gross margin.
EBITA	Earnings before interest and taxes excluding amortization of intangible assets	The group uses the alternative performance measure EBITA because it illustrates the impact of amortization of capitalized development expenses on operating profit.
Equity/assets ratio	Closing equity in the period divided by closing total assets in the period	The group uses the alternative performance measure equity/assets ratio because it illustrates the portion of the total assets that consist of equity and has been included so investors will be able to assess the group's capital structure.
Items affecting comparability	Items of material value that do not have any clear relationship with ordinary activities and are of such nature that they cannot be expected to occur often. They may, for example, relate to acquisitions, major one-off orders, other unusual non-recurring revenue and expenses, capital gains/losses from divestments, restructuring expenses and impairment losses.	Enables improved understanding of the company's underlying operations.
Currency fluctuations	Adjusted for currency fluctuations on the net sales of operations excludes the effect of exchange rates by restating the net sales of operations for the relevant period by applying the rates of exchange used for the comparative period.	This performance measure is important for understanding the underlying progress of operations, and improves compatibility between periods

	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
A Net sales, TSEK	9,154	3,720	24,904	9,484	14,034
B Gross profit excl. amortization, TSEK	6,350	2,590	17,268	5,736	8,707
B/A Gross margin excl. amortization (%)	69.4%	69.6%	69.3%	60.5%	62.0%

	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Amounts in SEK thousands					
A Earnings before interest and taxes	-30,594	-29,589	-97,274	-91,420	-133,905
B Depreciation and amortization	5,117	4,862	15,136	10,525	15,552
A+B EBITDA	-25,477	-24,727	-82,138	-80,895	-118,353

	Q3		Jan-Sep		Full-year
	2023	2022	2023	2022	2022
Amounts in SEK thousands					
A Equity	307,879	310,911	307,879	310,911	261,903
B TOTAL ASSETS	366,185	387,984	366,185	387,984	321,842
A/B Equity/assets ratio, (%)	84.1%	80.1%	84.1%	80.1%	81.4%

Not 8. Staff stock option programs

Dilution from option programs

In total, the group's five employee option programs comprise 3,315,000 options, which, when fully exercised, means a dilution of approx. 3.3 percent. This is provided that all options are exercised, including the staff options that have not yet been assigned. During the period January-September 2023, 285,000 employee options have expired. In total to date, 500,000 employee options have expired and the remaining 2,815,000 employee options, if fully exercised, would represent a dilution of approximately 2.8 percent.

Staff stock option program 2023/2027

An extraordinary general meeting on September 20, 2023 decided, in accordance with the board's proposal, to introduce the employee stock option program 2023/2027 through a directed issue of a total of 1,100,000 warrants to the company's wholly owned subsidiary MD Biomedical AB. 1,000,000 options may be allocated to participants in the program, and the remaining 100,000 may be used to cover any cash flow effects resulting from social costs resulting from the program.

Options are earned over a three-year period and can then be exercised during the period from October 1, 2026, to October 1, 2027. Provided that the set targets are reached, each option entitles the acquisition of one (1) new share in Senzime at a price corresponding to 125 percent of the volume-weighted average price of the company's share on Nasdaq Stockholm during a period of ten (10) trading days before today's general meeting. The increase in the company's share capital can amount to a maximum of SEK 137,500 upon full exercise of the options.

All 1,000,000 employee options will be awarded in October 2023.

Not 9. Contingent liabilities

The strategic connectivity and licensing agreement with Masimo signed in June 2022 involves future sales generating royalty payment outflows based on a market royalty model. There is more detail on this agreement in the Interim Report for January - June 2022.

The RMI acquisition includes a conditional purchase price amounting to USD 25 million, which is paid in case certain milestones for RMI are met during the calendar year 2023. Senzime's current assessment is that the milestones for RMI will not be met during the calendar year 2023.

Not 10. RMI acquisition and Q3 2022 for comparison

The previous preliminary purchase price was adjusted last year during the fourth quarter, partly because the previous preliminary conditional purchase price was adjusted, partly because the number of shares related to the purchase price has been corrected. The adjustment made last year of the third quarter of 2022 with retroactive effect is shown according to the table.

Adjustments Q3-report

Income statement	reported Q3	adjusted Q3
Cost of goods sold	-15,908	-12,784
Selling expenses	-46,757	-46,570
Financial expenses	-20,760	-246
Income tax	2,683	1,852
Conversion difference	23,552	10,136

Balance sheet	reported Q3	adjusted Q3
Intangible assets	365,494	174,747
Deferred tax liability	-52,790	-17,061
Long-term liabilities	-141,865	0

Senzime is a Swedish medical technology company that develops, and markets CE and FDA approved patient monitoring systems and products. Senzime's employees worldwide are committed to the vision of a world without anesthesia and breathing-related complications. The company markets an innovative portfolio of solutions, including TetraGraph® and ExSpiron® 2Xi for real-time monitoring of neuromuscular function and breathing during and after surgery. The goal is to help eliminate care-related complications and radically reduce costs associated with surgical procedures and emergency treatments.

Senzime aims at a market valued at over SEK 40 billion per year and works with sales teams in the world's leading markets. The company's shares are listed on NASDAQ Stockholm's main market (ticks SEZI). More information is available at senzime.com.

Calendar 2023/2024

Year-End Report:	February 15, 2024
Annual Report 2023:	April 24, 2024
Interim Report Q1 2024:	May 7, 2024
AGM 2024:	May 16, 2024
Interim Report Q2 2024:	August 26, 2024

Contacts

Philip Siberg
CEO
Tel. +46 (0) 707 90 67 34
e-mail: philip.siberg@senzime.com

Slavoljub Grujicic
CFO
Tel. +46 (0) 763 06 60 11
e-mail: slavoljub.grujicic@senzime.com

Address

Senzime AB
Ulls väg 41
756 51 Uppsala
www.senzime.com

