

A strong finish with several new agreements

- Rapid sales growth outside the Nordics, accounted for 11% of sales in the last quarter

1 January-31 December

- Net sales reached SEK 17,4 (17,1) million
- Loss after taxes SEK -11,1 (-7,9) million
- Earnings per share were SEK -0,21 SEK (-0,17)
- Cash and equivalents were 12,3 (13,2) million
- The board proposes that no dividend be paid to the company's shareholders

Significant events during period

- Distribution agreement signed for Spain
- Distribution agreement signed for China
- Distribution agreement signed for Italy
- Results for the registry study on prostate cancer were presented at the Urology Days by one of the authors

1 October-31 December

- Net sales increased 12% to SEK 5,5 (4,9) million
- Loss after taxes SEK -3,1 (-2,2) million
- Earnings per share were SEK -0,05 SEK (-0,04)

Significant events after the end of the period

- Study on the Schelin Catheter is published
- CE-mark for the new platform Eagle obtained
- Patent that include the Schelin Catheter is approved
- Agreement with Sergelkliniken is signed
- Agreement with Carlshamns Specialist klinik is signed
- Agreement with SLG Kalmar is signed with an order value of at least SEK 2,4 million

Key figures

(SEK MILLION)	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2020
Net sales	17,4	17,1	12,5
Gross margin, %	75	86	77
Operating profit/loss	-10,9	-7,9	-9,9
Cash flow from operating activities	-16,2	-5,8	-8,6
Average number of employees	8	7	6

” The network of contacts and the interest that we have created among the world's urologists during the last six months will be very valuable going forward.”

Johan Wennerholm
CEO, ProstaLund AB (publ)

CEO statement

Generally

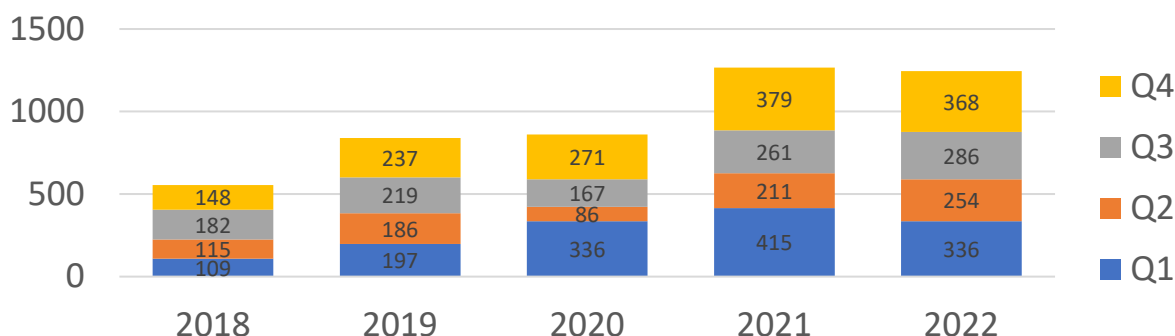
The year 2022 has come to an end. Looking back on what we have achieved during the year, I can state that it is impressive. We have signed distribution agreements in three of the five largest European countries; UK, Spain and Italy. We have had a patent for the Schelin Catheter® approved in China. We have signed a distribution agreement for China. Both of our products, Schelin Catheter and CoreFlow Soft Stent, have been approved for sale in Brazil. In addition, the Schelin Catheter in particular has received tremendous attention as individual urologists conduct studies without our involvement. This is great news!

The concerns at the moment is access to electronics and other raw materials for our production. After two years of Covid-19 and another year of war and uncertainty, our delivery times have gone from 12 weeks in 2019 to an incredible 12 months now. The Swedish krona has never been as weak as it is now, which also has a negative impact both in the balance sheet, where we have built up a larger and more expensive inventory, and in the income statement, with a deteriorating gross margin. That we have managed to grow despite three difficult years and many challenges is a statement of strength that must be attributed to all our employees. The fact that we strengthened our sales organization at the beginning of the year with a Nordic sales manager and European salesperson makes me feel comfortable about what we will achieve in 2023. We are a fantastic team with a bright future!

Sales in the Nordics

During the last quarter, we delivered 368 CoreTherm treatments, approximately at the same level as Q4 last year (379). In total, there were 1,244 items for the whole year compared to last year's 1,266 items. If you look in more detail, the fact is that Denmark is growing and if we look at Sweden without the Specialistläkargruppen (SLG) in Kalmar, we see growth there as well. SLG changed owners on January 1, 2022, which meant that the care agreement that the previous owner had with Region Kalmar ended and no new agreement was received until August 22. The number of patients who want a cure seem to be countless and we know which buttons to push to effectively ensure that we increase the flow of referrals to our CoreTherm customers, that is not the bottleneck. The growth in Sweden is driven almost exclusively by the number of private clinics who perform CoreTherm® treatments. The number of private clinics interested in turn depends on whether and how they are reimbursed from the individual regions when performing CoreTherm treatments. For a number of years now, we have been continuously discussing the queue situation for BPE care and compensation levels for CoreTherm, with the country's regional politicians. A job that is time-consuming and long-term. We feel that our method is being heard even if there are no overnight changes. We are convinced that we will get new agreements with private clinics when region by region provides reasonable conditions for them to be able to treat with CoreTherm

CoreTherm treatments in Nordic countries 2018-2022



Sales outside the Nordics

For the last six months, there has been intensive evaluation work at about ten clinics around Europe, which, under our guidance, wanted to try our products, Schelin Catheter and CoreFlow Soft Stent, in connection with performing other treatment methods of benign prostatic enlargement (BPE). Not only the number of clinics is interesting, but also that the Schelin Catheter has been used with a number of different treatment methods - and has worked well in all of them. It is very pleasing that after the clinics have tried it, they have also returned with new orders, and some have already entered the products into their purchasing system. Very promising!!! During the quarter, sales outside the Nordics already accounted for 11%. In total for the whole year, the same figure is 4%, so the growth is very fast and strong outside our home market. What is appealing about the stand-alone products for ProstaLund, besides the gigantic potential, is that it requires considerably less time to market compared to CoreTherm. The appeal for doctors is that it requires very little change from their usual procedure, while the potential gains from implementing our products are large. Our experience from the Nordics is that it takes 12-18 months from initial interest to a clinic starting CoreTherm treatments. The same process with Schelin Catheter and CoreFlow is less than 1-2 months. In addition, in some countries there is a month or so for registration with each country's authority. And although initial orders are smaller, time is of the essence.

The new platform

Our new treatment platform, CoreTherm Eagle®, has been ready since last fall. The registration process took a bit longer than we expected, but on February 7th 2023 we received the CE registration under MDR. We expect to begin the launch and deployment in the Nordics during Q2/Q3 2023. The platform itself is a masterpiece and the CoreTherm concept is thus probably the world's best BPE treatment if you look at parameters such as treatment results, possibility to treat regardless of prostate size, retreatment frequency, treatment time, fewer complications compared to surgical intervention, learning time for treating doctors and cost of a treatment, etc. Our entire concept consists of several patented and unique inventions where the machine's treatment control is based on research and 25 years of clinical experience. We have great strength and stability in our concept and products.

The registry study

At the Swedish Urology Days in Malmö, October 5-7, Dr. Fredrik Stenmark presented the results from the register study carried out by Stenmark and a few more Swedish professors and urologists with PhDs. The registry study is a study that, among other things, evaluated the risk of developing prostate cancer after treatment with the two most established methods for the treatment of benign prostate enlargement (BPH). The methods compared are heat treatment (TUMT) or surgery (TURP).

The results indicate that there is a lower risk of both prostate cancer diagnosis and prostate cancer-specific mortality if the patients are treated with our method compared to surgery (TURP). According to Stenmark, a publication in a peer-reviewed journal is in the pipeline and such is required to gain acceptance by the profession.

The future

A year ago we were not in Europe. That now twelve months later we have both distribution agreements and sales in Great Britain, Spain and Italy would have been an achievement for any Swedish company. If we also add the agreements with Israel, Brazil and China, things start to get exciting.

A year ago we didn't have a new platform. That now twelve months later we have a CE-marked platform according to the new regulations (MDR) would have been an achievement for any Swedish company. If we also add that the new regulations are so complicated that the introduction will probably be brought forward to 2027, then it starts to get impressive.

A year ago, we did not have a network of urologists outside Sweden's borders. That twelve months later we now have contacts all over Europe would have been an achievement for any Swedish company. If we

also add that we have direct contact with some of the world's leading urologists in the US, it starts to look promising.

The contact network and interest that we have created among the world's urologists during the last six months will be very valuable in the future.

We are from Lund - ProstaLund.

Johan Wennerholm
CEO

Financial information

Company information

ProstaLund AB (publ), corporate identity 556745-3245, with its registered head office in Lund is the parent company of the ProstaLund Group. The address of the head office is Scheelevägen 19, 223 70 Lund. Wholly owned subsidiaries are Nordisk Medicin & Teknik AB and CoreTherm®Medical Inc (USA).

Shares

ProstaLund is listed on the Nasdaq First North Growth Market. The company is traded under the ticker name PLUN and the ISIN code SE0002372318. Certified Adviser is Västra Hamnen Corporate Finance AB.

The number of shares at the end of the period was 57 193 154 and the quota value was SEK 0,1 per share. All shares are of the same type and have the same voting rights.

Scope of the report

This year-end report covers the period from 1 January 2022 to 31 December 2022. The comparative information in the report refers to the corresponding period in 2021, unless otherwise stated. All information in the report refers to the ProstaLund Group, unless it is explicitly stated that the information refers to the parent company ProstaLund AB (publ).

Impact of the covid-19 pandemic

The pandemic has had a negative effect on the company's sales. The company estimates this at approximately SEK 0,5-1,0 million for the first 6 months of 2022.

Sales and earnings

Net sales came in at SEK 17,411 (17,073) thousand, which was a 2 % increase compared with the same period last year. The change is due to an increase in sales outside the Nordic region. The operating loss was SEK -10,893 (-7,854) thousand. The increased loss is due to increased manufacturing costs, currency, transport costs and increased sales costs in connection with the launch outside the Nordics.. Loss after tax came in at SEK -11,098 (-7,884) thousand.

Sales and earnings – fourth quarter

Net sales came in at SEK 5,550 (4,933) thousand, which was a 12 % increase compared to the same period last year. The operating loss was SEK -3,144 (-2,228)

thousand. Loss after tax came in at SEK -3,133 (-2,233) thousand.

Investments

Investments in property, plant & equipment amounted to SEK 147 (195) thousand. Investments in intangible assets amounted to SEK 4,607 (8,992) thousand. Investments in financial assets amounted to SEK 0 (0) thousand.

Investments – fourth quarter

Investments in property, plant & equipment amounted to SEK 96 (11) thousand. Investments in intangible assets amounted to SEK 283 (3,823) thousand. Investments in financial assets amounted to SEK 0 (0) thousand.

Financial position and financing

Cash flow from operating activities amounted to SEK -16,202 (-5,804) thousand. Cash and cash equivalents at the end of the period amounted to 12,275 (13,239) thousand. Equity amounted to SEK 41,686 (35,456) thousand and the equity / assets ratio was 82 (82) percent.

The company has agreed on a loan of SEK 3 million in March from the three largest owners; Mats Alyhr, BWG Invest Sarl and Sonny Schelin and a loan from ALMI of SEK 2 million. The loan from ALMI runs for 60 months Market interest has been debited for the quarter. The short-term loan of SEK 3 million was repaid on 30th of September.

A rights issue was carried out during the month of August and added approximately SEK 18.5 million in new capital to the company after the issue costs were paid.

Financial position and financing – fourth quarter

Cash flow from operating activities amounted to SEK -3,187 (470) thousand. Cash and cash equivalents at the end of the period amounted to 12,275 (13,239) thousand.

The company took out a loan from ALMI of SEK 2 million during April 2022. The loan from ALMI runs for 60 months and has market interest. Amortization and interest has been debited for the quarter

Organization

The number of people employed was 6 (6) at the end of the period. The employees included 4 (3) women and 3 (4) men. The average number of employees was 8. The number of consultants is 5-6.

Research and development

Development work is conducted in-house in collaboration with technical consultants and external clinics. The development work is focused on new development and further refinement of the current product portfolio.

Insurance

ProstaLund has a standard corporate insurance which also includes product liability. The insurance is subject to ongoing review. The Board of Directors assesses that the corporate insurance is adapted to the current scope of operations.

Disputes

ProstaLund is not a party in any legal disputes or arbitrations. The Board of Directors is not aware of any circumstances that could lead to any such legal processes being imminent.

Risk factors

ProstaLund is affected by a number of risks whose effects could have a negative impact on its future, earnings or financial position. The latest annual report, which is available on the company's website www.prostalund.se, contains a description of the risk factors. The risk factors that are judged to be of the greatest importance are listed below, in no particular order:

- Depending on financing
- Depending on key personnel
- Regulatory approvals
- Product liability
- Currency risk
- Competition
- Disputes
- Changes in legislation

Prerequisites for continued operation

This financial information has been prepared based on the assumption of continued operations. The company has historically reported losses. In preparing the report, management has based its assumptions on existing cash

and cash equivalents, increased sales and the possibility of other financing.

When estimating future expenses, management has taken into account that certain expenses are under management's control and can thus be eliminated or postponed to the future. Management is aware that there are uncertainties in the estimation of future cash flows as well as uncertainties in the financing of operations.

If the Group for some reason can't continue to operate, it may affect the Group's ability to realize the assets carrying amounts, especially related to capitalized expenses for development work, and to pay debts at a normal rate and to the amounts included in the Group's interim report.

Transactions with related parties

Agreement with board members

The Company has entered into consulting agreements with all of the Company's Board members. The consulting agreements regulate the board members' performance of assignments that cannot be considered to be tasks that are normally incumbent on a board member. The fee for work according to the consulting agreement amounts to SEK 1,800 per hour. Others on the Board and the Company's CEO must approve such work before it is performed.

Royalty agreement

The company has entered into a royalty agreement with Schelin Medicin AB regarding the rights to the products CoreFlow – Soft Stent and the Schelin Catheter. The agreement means that two (2) percent of the invoiced amount for these products must be paid in royalties to Schelin Medicin AB, provided that the company reports a profit and that a patent has been granted. The royalty can amount to a maximum of SEK 4 million per year and a maximum of SEK 20 million in total. The agreement shall cease to apply when an amount of SEK 20 million has been paid to Schelin Medicin AB.

Valuation of intangible assets

The reported capitalized expenses for development work are subject to management's impairment test. The most critical assumption, evaluated by management, relates to whether the intangible asset is expected to generate future economic benefits, which at least correspond to the carrying amount of the intangible asset. Management's assessment is that the expected

future cash flows are sufficient to justify the carrying amount of the intangible asset, which is why no write-down has been made. However, the valuation is based on and dependent on the conditions for continued operation.

Remuneration policy

The guiding principle is that ProstaLund will offer its management and key personnel competitive remuneration based on the market situation, the company's performance, and individual performance. The design of the remuneration policy shall ensure that the management and key personnel and the shareholders have common goals.

Annual report

The annual report for 2021 was published on April 11 2022. The annual report is available on the company's website www.prostalund.se.

Election committee

In accordance with the principles for the nomination committee that have previously been decided at the annual general meeting, the following nomination committee has been appointed for ProstaLund AB (publ) ahead of the annual general meeting on May 4, 2023. The convener of the nomination committee is ProstaLund's chairman of the board, Mattias Lundin. The nomination committee consists of the following

three people: Mats Alyhr, William Gunnarsson and Sonny Schelin.

Annual General Meeting

The Annual General Meeting for 2022 will be held on May 4th 2023 in Lund.

Dividend proposal

The board's proposal is that no profit distribution be made to the company's shareholders.

Upcoming financial information

- 2023-05-04 Interim report Jan-Mar 2023
- 2022-07-14 Interim report Apr-Jun 2023
- 2022-10-25 Interim report Jul-Sep 2023
- 2024-02-16 Year-end report 2023

Accounting policies

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice. Accounting principles and calculation methods applied are in accordance with the accounting principles used in the preparation of the most recent annual report.

Audit

This report has not been subject to review by the company's auditors.

ProstaLund AB (publ)
Lund, February 15th, 2023

The Board of Directors

FOR QUESTIONS ABOUT THIS REPORT, PLEASE CONTACT:

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PUBLICATION

This information is information that ProstaLund AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 a.m. CET February 15th 2023

ADDRESS

ProstaLund AB

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Certified Advisor is Västra Hamnen Corporate Finance AB.

Consolidated Income Statement in Summary

All amounts in SEK thousand	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating income				
Net sales	5 550	4 933	17 411	17 073
Cost of goods sold	-1 648	-627	-4 538	-2 390
Gross profit	3 902	4 306	12 873	14 683
Sales & Marketing expenses	-4 307	-2 234	-14 288	-12 217
Administrative expenses	-1 648	-3 313	-5 513	-6 809
Research and development costs	-1 379	-990	-4 000	-3 244
Other operating income	393	101	393	101
Capitalized development expenditure	-105	-99	-358	-369
Operating profit/loss	-3 144	-2 228	-10 893	-7 854
Profit/loss from financial items				
Interest income and similar profit/loss items	11	-	2	5
Interest expenses and similar profit/loss items	-	-5	-207	-35
Profit/loss after financial items	-3 133	-2 233	-11 098	-7 884
Tax expenses	-	-	-	-
Profit/loss for the period	-3 133	-2 233	-11 098	-7 884
Share attributable to parent company shareholders	-3 133	-2 233	-11 098	-7 884

Per share data	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Earnings per share, SEK (basic and diluted)	-0,05	-0,04	-0,21	-0,17
Equity per share, SEK	0,73	0,69	0,73	0,69
Equity-asset ratio, %	82%	82%	82%	82%
Number of outstanding shares	57 193 154	51 525 365	57 193 154	51 525 365
Average number of outstanding shares	57 193 154	51 525 365	53 886 944	46 841 089

Definitions of financial ratios

Earnings per share. Profit/loss for the period divided by average weighted number of shares

Equity-asset ratio. Equity divided by total assets.

Equity per share. Equity divided by number of shares at the end of the period.

Quarterly financial performance

All amounts in SEK thousand	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net sales	5 550	3 773	3 520	4 568	4 933	3 690	3 179	5 271
Gross profit/loss	3 902	2 791	2 469	3 711	3 961	3 044	2 942	4 391
Gross margin in %	70%	74%	70%	81%	80%	82%	93%	83%
Overhead costs	-7 334	-4 687	-5 932	-5 848	-6 611	-4 679	-5 669	-5 385
Operating profit/loss	-3 144	-1 987	-3 625	-2 137	-2 648	-1 699	-2 761	-1 166
Profit/loss for the period	-3 133	-2 117	-3 707	-2 141	-2 653	-1 707	-2 771	-1 173
Cash flow	-3 666	11 568	-3 540	-5 326	-3 464	13 942	-2 805	-4 929

Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2022-12-31	2021-12-31
Assets		
Intangible assets	24 934	20 420
Property, plant & equipment	419	400
Inventories	9 187	6 570
Trade receivables	2 816	1 355
Other receivables	1 412	1 456
Cash and cash equivalents	12 275	13 239
Total assets	51 043	43 440
Equity and liabilities		
Equity	41 686	35 456
Interest-bearing liabilities, longterm	1 333	0
Current interest-bearing liabilities	400	200
Trade payables	6 298	6 144
Other liabilities	1 326	1 640
Total equity and liabilities	51 043	43 440

Consolidated statement of changes in equity

All amounts in SEK thousand	2022-12-31	2021-12-31
Opening balance	35 456	25 352
New share issues	19 837	18 737
Costs of new share issues	-1 378	-602
Profit/loss for the period	-11 098	-7 884
Other comprehensive income for the period	-1 131	-147
Closing balance	41 686	35 456

Cash Flow Analysis in Summary

All amounts in SEK thousand	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Profit/loss after financial items	-3 133	-2 233	-11 098	-7 884
Adjustments for non-cash items	-298	440	-910	-260
Tax paid				
Cash flow from operating activities before changes in working capital	-3 431	-1 793	-12 008	-8 144
Changes in working capital	244	2 263	-4 194	2 340
Cash flow from operating activities	-3 187	470	-16 202	-5 804
Capitalization of development expenditure	-283	-3 823	-4 607	-8 992
Acquisition/disposal of property, plant & equipment	-96	-11	-147	-195
Cash flow from investing activities	-379	-3 834	-4 754	-9 187
New share issue	-	-	19 837	18 737
Transaction costs attributable to new share issue	-	-	-1 378	-602
Change in bank overdraft facilities	-100	-100	-3 467	-400
Cash flow from financing activities	-100	-100	19 992	17 735
Total cash flow for the period	-3 666	-3 464	-964	2 744
Cash and cash equivalents at start of period	15 941	16 703	13 239	10 495
Cash and cash equivalents at end of period	12 275	13 239	12 275	13 239

Income Statement - Parent Company

Every care has been taken in the translation of this Financial Report. In the event of discrepancies, the Swedish original will supersede the English translation.

All amounts in SEK thousand	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating income				
Net sales	5 550	4 668	17 179	16 796
Cost of goods sold	-1 648	-942	-4 430	-2 242
Gross profit	3 902	3 726	12 749	14 554
Sales & Marketing expenses	-4 377	-3 571	-14 253	-12 188
Administrative expenses	-1 648	-2 123	-5 513	-6 809
Research and development costs	-1 379	-991	-4 000	-3 244
Other operating income	433	171	433	843
Capitalized development expenditure	-105	-96	-358	-363
Operating profit/loss	-3 174	-2 884	-10 942	-7 206
Profit/loss from financial items				
Interest income and similar profit/loss items	2	-	2	5
Interest expenses and similar profit/loss items	-1 394	-5	-1 562	-35
Profit/loss after financial items	-4 566	-2 889	-12 502	-7 236
Tax expenses	-	-	-	-
Profit/loss for the period	-4 566	-2 889	-12 502	-7 236

Balance Sheet - Parent Company

All amounts in SEK thousand	2022-12-31	2021-12-31
Assets		
Intangible assets	24 934	20 420
Property, plant & equipment	419	400
Financial assets	464	464
Inventories	9 170	6 480
Trade receivables	2 816	1 334
Receivables from group companies	0	70
Other receivables	1 408	1 529
Cash and bank balances	11 862	13 049
Total assets	51 073	43 746
Equity and liabilities		
Equity	41 684	35 727
Interest-bearing liabilities, longterm	1 333	0
Current interest-bearing liabilities	400	200
Liabilities to group companies	64	0
Trade payables	6 295	6 138
Other liabilities	1 297	1 681
Total equity and liabilities	51 073	43 746