

## A stable quarter with several news

### 1 January-31 March

- Net sales reached SEK 4,6 (5,3) million
- Loss after taxes SEK -2,1 (-1,2) million
- Earnings per share were SEK -0,04 SEK (-0,03)
- Cash and equivalents were 7,9 (5,6) million

#### Significant events during period

- Utility patent for the Schelin Catheter was approved in China
- Distribution agreement signed for the UK market
- The Schelin Catheter™ used in conjunction with Water Vapor Therapy treatment for BPE
- Agreement on a loan of SEK 5 million via ALMI and the three largest shareholders

#### Significant events after the end of the period

- The new platform, CoreTherm® Eagle, submitted for CE marking
- Agreement with Capio Specialistcenter. Order value SEK 2.4 million over a 12 month period.

### Key figures

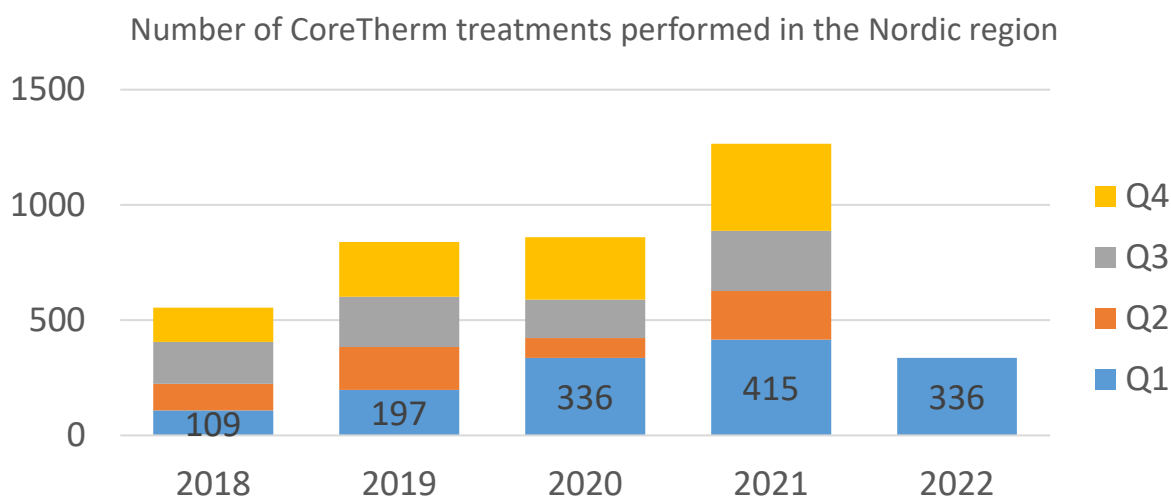
(SEK MILLION)	jan-mar 2022	jan-mar 2021	jan-mar 2020	jan-mar 2019
Net sales	4,6	5,3	4,6	3,6
Gross margin, %	81	83	72	64
Operating profit/loss	-2,1	-1,2	-1,6	-2,8
Cash flow from operating activities	-5,1	-2,2	1,4	0,4
Average number of employees	7	7	5	6

” During the quarter, several strategically important pieces of the puzzle came into place for the company's continued growth in the future”

Johan Wennerholm  
CEO, ProstaLund AB (publ)

**CEO statement**

We have now left the first quarter behind us. A quarter that is a "normal quarter" regarding sales of CoreTherm® treatment catheters and we deliver about 300-400 treatment catheters per quarter at this time. For the last two years, we have, and are still affected by the pandemic, covid-19. Despite this, we can report a stable quarter in terms of sales. Largely due to the fact that the Swedish private clinics that perform CoreTherm treatments continue to treat patients. During the first quarter of this year, these clinics accounted for almost 75% of all heat treatments in Sweden. As I have previously mentioned, the focus of the sales work is to find more private clinics in Sweden that want to use our technology. There are several of private clinics already today which could start at short notice if only the compensation from the regions comes in place.



**An eventful quarter**

It has been a very eventful first quarter. During the quarter, several important pieces of the puzzle came into place for the company's continued growth in the.

***Puzzle piece # 1 - Loan***

During the quarter, we agreed on a loan from ALMI of SEK 2 million and an additional SEK 3 million from our three largest owners. The loan from ALMI was paid in April. This means that we as a company have increased our financial flexibility at the same time as we look at our capital structure for future capital raising and the opportunity to free up capital for an international expansion.

***Puzzle piece #2 – Swedish users***

A good example is our user meeting. Previous years, there have been about 15 users at the meeting. This year there were 30 (!!!), from south to north. We received very positive feedback on both content and arrangement of the meeting. In a pleasant and positive atmosphere, the meeting became a catalyst for spreading knowledge and experiences between our users. The presentations from the lecturers show the importance of CoreTherm® and that ProstaLund adds value for many men. The message that Dr Fredrik Stenmark gave the participants has continued to echo in my mind: "For men with urination problems and large prostates, the low frequency of repeated treatment means that CoreTherm® challenges all other methods in being the first alternative when choosing a curative treatment."

***Puzzle piece #3 - An approved utility patent in China***

With the approved utility patent for the Schelin Catheter™ in China, which we announced in January, we have strengthened the IP protection for the Schelin Catheter™. The Schelin catheter™ can likely also be used successfully to provide local anesthesia before other prostate treatments and to administer drugs

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in the treatment of prostate diseases such as benign prostatic hyperplasia, prostatitis and prostate cancer.

***Puzzle piece #4 – Submission for CE-marking***

After a giant effort by our quality department and the submission of almost 500 documents, I am very happy that we have submitted the necessary documentation to the company's Notified Body, TÜV SÜD for review, to receive CE marking of our new platform, CoreTherm® Eagle. It is an updated and modernized product platform to perform ProstaLund's treatments with CoreTherm® Concept. CoreTherm® Eagle combines the proven and well-documented technology of current and previous CoreTherm® products with a newly developed, simplified and modern user interface and software updates in order to provide improved method support for treating physicians and increased safety for treated patients. The CE marking is a mandatory next step on the road to commercialization in countries covered by the European Regulations on Medical Devices (MDR) and a must before we can invest in a broader international expansion.

***Puzzle piece #5 – World premiere of the Schelin catheter***

During the quarter, it was a world premiere when the Schelin catheter™ was used for the first time as a tool to give local anesthesia sterile before steam treatment for benign prostate enlargement at C-Medical Urology Carlanderska in Gothenburg. Following administration of mepivacaine using the Schelin Catheter™, the treatments were essentially painless for the patients. The word sterile is essential. The standard today before steam treatment is to inject local anesthesia via the rectum, which is anything but sterile with a not insignificant risk of severe infections.

The good result in itself is not surprising, but it is a great advantage to have gone from theory to practice. Although we believe that steam treatment is far from being as good a method as our own heat treatment with CoreTherm®, it is performed globally in many clinics. We believe that with the help of the Schelin Catheter™ we will be able to speed up the establishment process in some markets.

Changing the method of administration local anesthesia is an easier task than introducing a completely new treatment method. The Schelin Catheter™ becomes a key to many new customers and our future distributors.

***Puzzle piece #6 - Agreements***

We have gently started internationalization and signed an exclusive distribution agreement with the English company iUrology. During the month of June, we together with our distributor, will participate with an exhibition in a British urology congress, BAUS.

In Sweden as well as in our neighboring countries, we have discussions with a number of prospective customers. Given the message in " Nye metoder " in Norway from this summer, I will honestly say that I am a little disappointed and surprised that we have not yet been able to present any new public Norwegian Coretherm® customer.

***Puzzle piece #7 – Multiple product company***

Of course, we want more CoreTherm® customers, but even more important is to be able to contribute to developing our existing customers so that they can treat more patients. If all existing CoreTherm® clinics in the Nordic countries were to do 20 more treatments per clinic per year, it would mean that we would have delivered 1800 catheters on an annual basis. I think that the agreement reached with Capio in April is an excellent example of how we are working very targeted to help our customers to develop their business.

Their success - is our prosperity.

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 51 525 365 and the quota value was SEK 1.00 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 March 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 period.

The company expects that the covid-19 pandemic will have a negative impact on ProstaLund's sales and earnings for a further number of months to come. How large or long-term the effects of covid-19 will be for the Company is currently very difficult to assess.

### Sales and earnings

Net sales came in at SEK 4,568 (5,271) thousand, which was a 13 % decrease compared with the same period last year. The change is due to a change of ownership in one of the private clinics and normal variations in incoming orders between quarters. The operating loss was SEK -2 137 (-1 166) thousand. The increased loss is in large part due to reduced sales and increased costs for consultants. Loss after tax came in at SEK -2 141 (-1 173) thousand.

### Investments

Investments in property, plant & equipment amounted to SEK 50 (133) thousand. Investments in intangible assets amounted to SEK 3 093 (2 488) thousand. Investments in financial assets amounted to SEK 0 (0) thousand. Investments in intangible fixed assets mainly relate to the company's new platform.

### Financial position and financing

Cash flow from operating activities amounted to SEK -5 083 (-2 208) thousand. The change is largely due to the Company's need to build up a stock to secure access to raw material and long lead times. Cash and cash equivalents at the end of the period amounted to SEK 7 913 (5 566) thousand. Equity amounted to SEK 32 977 (23 354) thousand and the equity / assets ratio was 78 (78) percent.

The company has agreed on a loan from ALMI of SEK 2 million and a short-term loan of SEK 3 million without security from the three largest owners; Mats Alyhr, BWG Invest Sarl and Sonny Schelin. The loan from ALMI runs for 60 months and the short-term loan runs until January 2023. Market interest is paid for both. The loan of SEK 3 million was paid in March. The loan from ALMI of SEK 2 million was paid in April.

### Organization

The number of people employed was 7 (7) at the end of the period. The employees included 4 (3) women and 3 (4) men. The average number of employees was 7. The number of consultants is 5.

### 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](http://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.

### 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](http://www.prostalund.se).

### Annual General Meeting

The Annual General Meeting for 2021 will be held on May 5<sup>th</sup> 2022 kl.14:00 in Lund. See the Company's website.

### Proposal for appropriation of profit

The Board of Directors will propose is that no dividend be paid to the company's shareholders.

### Upcoming financial information

- 2022-07-14 Interim report Apr-Jun 2022
- 2022-10-21 Interim report Jul-Sep 2022
- 2023-02-15 Year-end report 2022

### 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, May 5th, 2022

*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 May 5th 2022

**ADDRESS**

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Certified Advisor is Västra Hamnen Corporate Finance AB.

## Consolidated Income Statement in Summary

All amounts in SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Operating income</b>			
Net sales	4 568	5 271	17 073
Cost of goods sold	-857	-880	-2 390
<b>Gross profit</b>	<b>3 711</b>	<b>4 391</b>	<b>14 683</b>
Sales & Marketing expenses	-3 618	-3 504	-12 217
Administrative expenses	-1 174	-1 001	-6 809
Research and development costs	-1 056	-880	-3 244
Other operating income	-	-	101
Capitalized development expenditure	-	-172	-369
<b>Operating profit/loss</b>	<b>-2 137</b>	<b>-1 166</b>	<b>-7 854</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items		5	5
Interest expenses and similar profit/loss items	-4	-12	-35
<b>Profit/loss after financial items</b>	<b>-2 141</b>	<b>-1 173</b>	<b>-7 884</b>
Tax expenses	-	-	-
<b>Profit/loss for the period</b>	<b>-2 141</b>	<b>-1 173</b>	<b>-7 884</b>
Share attributable to parent company shareholders	<b>-2 141</b>	<b>-1 173</b>	<b>-7 884</b>

Per share data	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Earnings per share, SEK (basic and diluted)	-0,04	-0,03	-0,17
Equity per share, SEK	0,64	0,55	0,69
Equity-asset ratio, %	78%	78%	82%
Number of outstanding shares	51 525 365	42 156 813	51 525 365
Average number of outstanding shares	51 525 365	42 156 813	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	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	4 568	4 933	3 690	3 179	5 271	3 675	2 676	1 551	4 563
Gross profit/loss	3 711	4 306	3 044	2 942	4 391	3 334	2 170	767	3 274
Gross margin in %	81%	87%	82%	93%	83%	91%	81%	49%	72%
Overhead costs	-5 848	-6 536	-4 679	-5 669	-5 385	-6 891	-3 818	-4 234	-4 859
Operating profit/loss	-2 137	-2 228	-1 699	-2 761	-1 166	-3 731	-1 486	-3 110	-1 592
Profit/loss for the period	-2 141	-2 233	-1 707	-2 771	-1 173	-3 745	-1 502	-3 125	-1 608
Cash flow	-5 326	-3 464	13 942	-2 805	-4 929	-2 800	10 304	-6 722	-47

## Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2022-03-31	2021-03-31	2021-12-31
<b>Assets</b>			
Intangible assets	23 495	14 054	20 420
Property, plant & equipment	425	417	400
Inventories	6 045	4 902	6 570
Trade receivables	2 883	4 245	1 355
Other receivables	1 519	901	1 496
Cash and cash equivalents	7 913	5 566	13 239
<b>Total assets</b>	<b>42 280</b>	<b>30 085</b>	<b>43 480</b>
<b>Equity and liabilities</b>			
Equity	32 977	23 354	35 456
Interest-bearing liabilities, longterm	0	100	0
Current interest-bearing liabilities	3 100	400	200
Trade payables	4 365	2 831	6 144
Other liabilities	1 838	3 400	1 680
<b>Total equity and liabilities</b>	<b>42 280</b>	<b>30 085</b>	<b>43 480</b>

### Consolidated statement of changes in equity

All amounts in SEK thousand	2022-03-31	2021-03-31	2021-12-31
Opening balance	35 456	25 352	25 352
New share issues	-	-	18 737
Costs of new share issues	-	-	-602
Profit/loss for the period	-2 141	-1 173	-7 884
Other comprehensive income for the period	-338	-825	-147
<b>Closing balance</b>	<b>32 977</b>	<b>23 354</b>	<b>35 456</b>



## Cash Flow Analysis in Summary

All amounts in SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Profit/loss after financial items</b>	-2 141	-1 173	-7 884
Adjustments for non-cash items	-295	-735	-260
Tax paid	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2 436</b>	<b>-1 908</b>	<b>-8 144</b>
Changes in working capital	-2 647	-300	2 340
<b>Cash flow from operating activities</b>	<b>-5 083</b>	<b>-2 208</b>	<b>-5 804</b>
Capitalization of development expenditure	-3 093	-2 488	-8 992
Acquisition/disposal of property, plant & equipment	-50	-133	-195
Förvärv/Avyttring av finansiella anläggningstillgångar	-	-	-
<b>Cash flow from investing activities</b>	<b>-3 143</b>	<b>-2 621</b>	<b>-9 187</b>
New share issue	-	-	18 737
Transaction costs attributable to new share issue	-	-	-602
Change in bank overdraft facilities	3 000	-	-
Change in bank overdraft facilities	-100	-100	-400
<b>Cash flow from financing activities</b>	<b>2 900</b>	<b>-100</b>	<b>17 735</b>
<b>Total cash flow for the period</b>	<b>-5 326</b>	<b>-4 929</b>	<b>2 744</b>
Cash and cash equivalents at start of period	13 239	10 495	10 495
<b>Cash and cash equivalents at end of period</b>	<b>7 913</b>	<b>5 566</b>	<b>13 239</b>

## Income Statement - Parent Company

All amounts in SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Operating income</b>			
Net sales	4 468	5 200	16 796
Cost of goods sold	-831	-840	-2 242
<b>Gross profit</b>	<b>3 637</b>	<b>4 360</b>	<b>14 554</b>
Sales & Marketing expenses	-3 579	-3 458	-12 188
Administrative expenses	-1 174	-1 001	-6 809
Research and development costs	-1 056	-879	-3 244
Other operating income	-	-	843
Capitalized development expenditure	-	-172	-363
<b>Operating profit/loss</b>	<b>-2 172</b>	<b>-1 150</b>	<b>-7 206</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items	-	5	5
Interest expenses and similar profit/loss items	-4	-12	-35
<b>Profit/loss after financial items</b>	<b>-2 176</b>	<b>-1 157</b>	<b>-7 236</b>
Tax expenses	-	-	-
<b>Profit/loss for the period</b>	<b>-2 176</b>	<b>-1 157</b>	<b>-7 236</b>

## Balance Sheet - Parent Company

All amounts in SEK thousand	2022-03-31	2021-03-31	2021-12-31
<b>Assets</b>			
Intangible assets	23 495	14 054	20 420
Property, plant & equipment	425	417	400
Financial assets	464	464	464
Inventories	5 982	4 836	6 480
Trade receivables	2 803	4 040	1 334
Receivables from group companies	0	0	70
Other receivables	2 481	892	1 529
Cash and bank balances	7 761	5 352	13 049
<b>Total assets</b>	<b>43 411</b>	<b>30 055</b>	<b>43 746</b>
<b>Equity and liabilities</b>			
Equity	33 551	23 672	35 727
Interest-bearing liabilities, longterm	0	100	0
Current interest-bearing liabilities	3 100	400	200
Liabilities to group companies	0	636	0
Trade payables	5 297	2 715	6 138
Other liabilities	1 463	2 532	1 681
<b>Total equity and liabilities</b>	<b>43 411</b>	<b>30 055</b>	<b>43 746</b>