



REDSENSE
medical

ANNUAL REPORT 2022

Redsense Medical AB (publ) 556646-4862

Disclaimer

This document is a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

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14.3

NET SALES,
MSEK

53%

GROWTH

-10

EBIT, MSEK

-0.62

EARNINGS
PER SHARE,
SEK

88%

EQUITY RATIO

3.7

CASH BALANCE,
MSEK

Full year 2022 1 January–31 December

Group

- Revenue for the financial year amounted to kSEK 17,790 (16,901).
- Net sales for the financial year amounted to kSEK 14,340 (9,362).
- Operating profit/loss (EBIT) amounted to kSEK -10,208 (-11,991).
- Total equity amounted to kSEK 27,149 at the end of the period (37,493).
- Cash and cash equivalents amounted to kSEK 3,672 at the end of the period (4,983).

Parent company

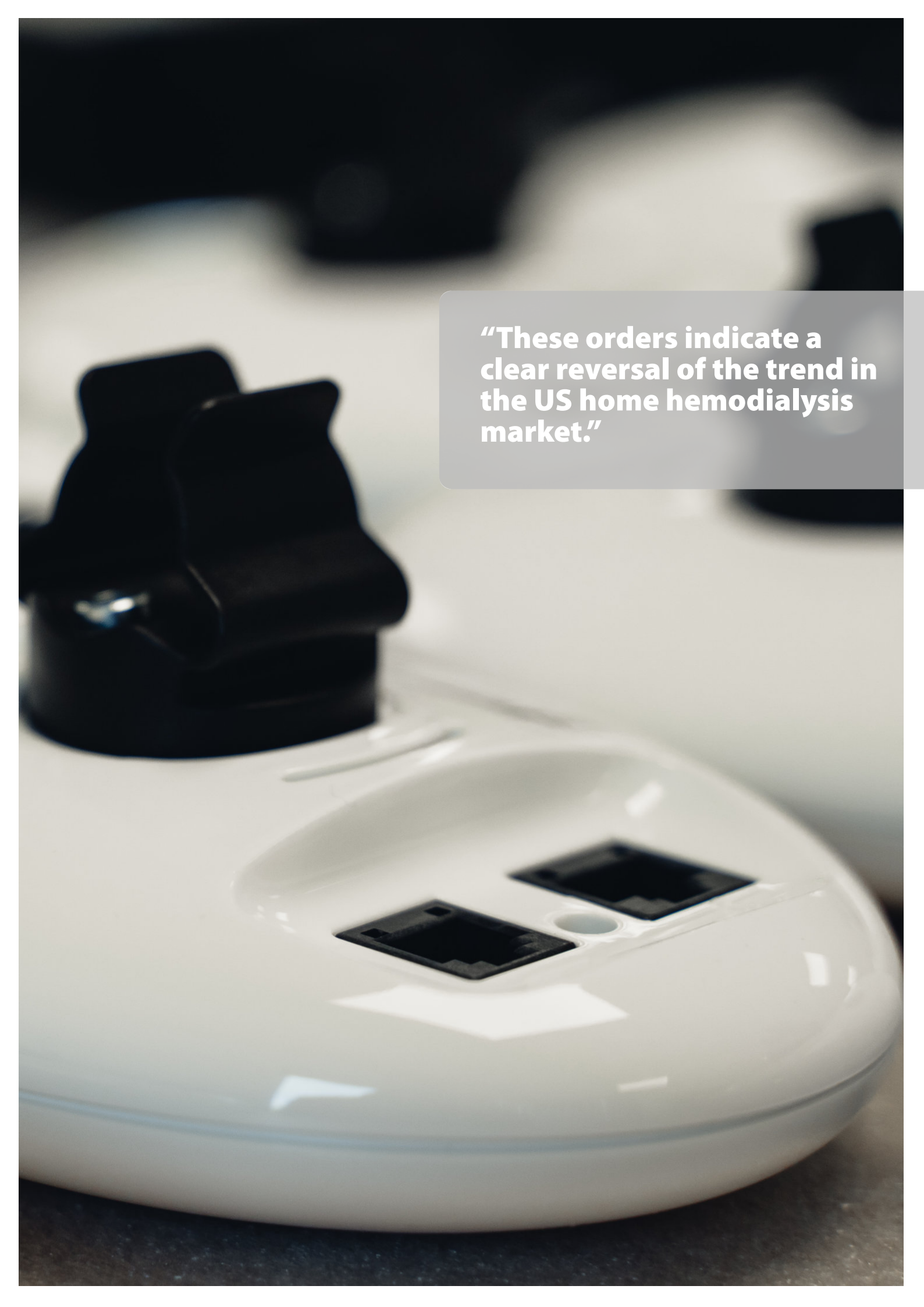
- Revenue for the financial year amounted to kSEK 13,298 (14,877).
- Net sales for the financial year amounted to kSEK 10,516 (7,338).
- Operating profit/loss (EBIT) amounted to kSEK -13,455 (-14,400).
- Total equity amounted to kSEK 63,780 at the end of the period (75,533).
- Cash and cash equivalents amounted to kSEK 220 at the end of the period (2,116).

Result and position

The Group's result for the financial year 2022 amounted to kSEK -8,758 before taxes, or SEK -0.62 per share. The number of shares outstanding was 14,040,810 as of 31 December 2022. Cash and cash equivalents at the end of the period amounted to kSEK 3,672.

Significant events after the period

- On 3 January, Redsense announced that MSEK 4.75 of the previously disclosed record order received in December 2022 had been delivered, with the balance of the order planned for delivery in the first quarter.
- On 20 January, Redsense announced that Jennie Kardell will join the company as new Chief Financial Officer as of March 2023.
- ECRI (Emergency Care Research Institute) included Venous Needle Dislodgement as number 4 on its 2023 list of Top 10 Technology Hazards.

A close-up photograph of a white medical device, likely a dialyzer or part of a hemodialysis machine. The device has a prominent black dial on the left side and two black ports on the top surface. The background is blurred, showing other parts of the machine.

“These orders indicate a clear reversal of the trend in the US home hemodialysis market.”

Redsense Medical strives to increase the safety and enhance the quality of life for dialysis patients worldwide

The company develops and provides the Redsense system, an innovation that increases patient safety in connection with hemodialysis treatment by continuously monitoring the venous needle and triggering an alarm when blood leakage is detected—a situation which quickly can be life-threatening if not remedied promptly. According to studies, about 2,100 patients are affected by Venous Needle Dislodgement (VND) every day, causing the death of 21 patients per week—tragedies that could have been avoided.

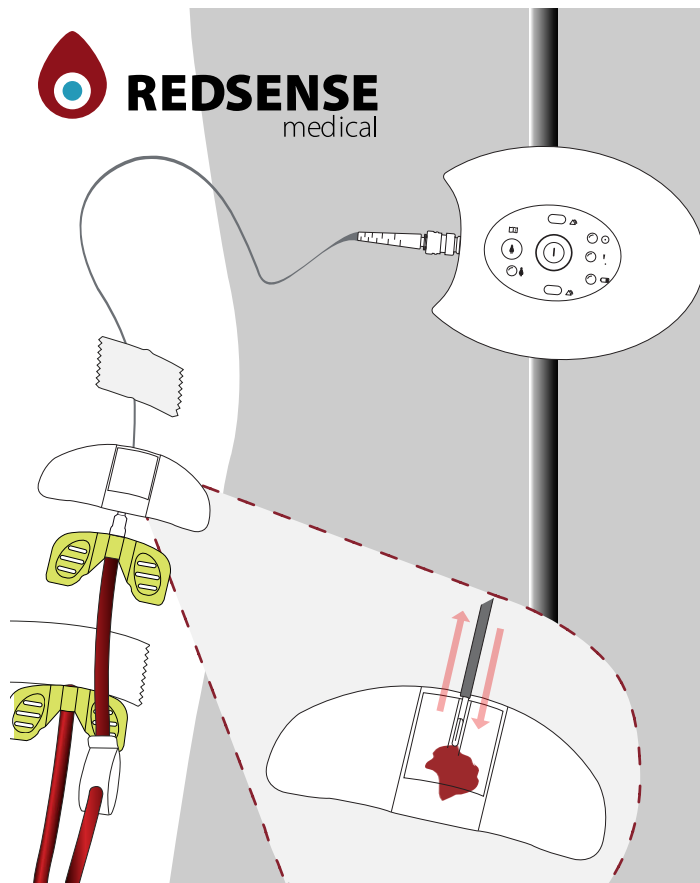
Today, almost four million patients with chronic renal failure have to undergo hemodialysis treatment several times per week. This number is

projected to keep growing by six percent annually, driven by ageing population and other factors. Every hemodialysis treatment carries the risk of VND, and Redsense's objective is to establish the blood loss alarm as a standard component of hemodialysis care.

About the product

The Redsense system is based on a patented fiber-optic solution that uses red light to detect and identify blood leakages as they occur. In case of an emergency, an alarm alerts the attention of patients and caregivers. Moreover, the system can be integrated directly with certain dialysis machines to stop the blood pump automatically as needed.

The sensors are embedded in disposable patches, which are applied to the venous access site and connected to the alarm unit. The Redsense system is the first and so far the only product designed to detect incidents of VND during hemodialysis.



- ▶ During **hemodialysis**, blood is pumped from the patient at a rate of up to 500 ml/min to be cleaned outside the body.
- ▶ The Redsense alarm unit emits **red light**, which is carried through an optical fiber to the sensor tip in the patch and back again to the unit.
- ▶ **The sensor patch** attaches to the venous access, where the purified blood from the dialyzer is returned into the patient's bloodstream via the venous needle.
- ▶ Red light leaks from the tip of the fiber-optic sensor. The light leakage increases if it comes into contact with blood. This would indicate a **venous needle dislodgement**.
- ▶ The alarm unit **measures the intensity** of red light in the return signal from the sensor. If the intensity suddenly drops, the alarm is sounded.
- ▶ **The alarm** alerts the attention of the nursing staff so that they can intervene. If the alarm unit is connected directly to the dialysis machine, it can stop the pump automatically.
- ▶ The Redsense Clamp product has been developed and will be able to stop blood flow through the bloodline by means of a clamp.

REDSENSE MEDICAL IN BRIEF

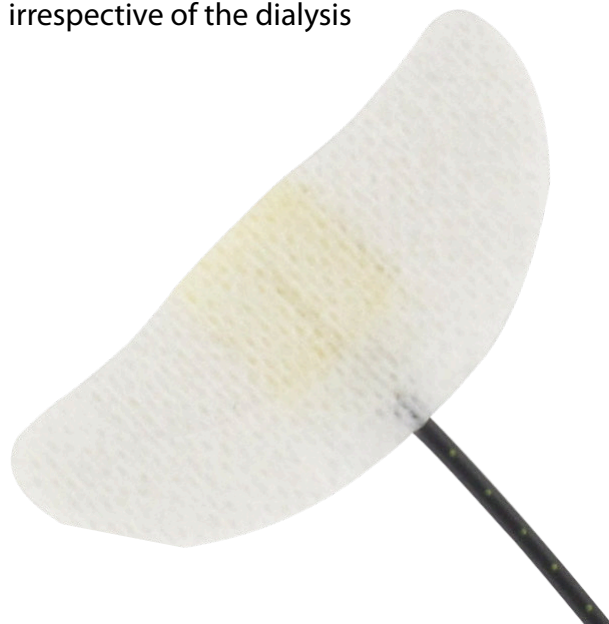
Today, the company is offering the second generation of the product, which has been used for patient protection in connection with more than 1,000,000 treatments in recent years.

Focus markets

The Redsense Medical Group conducts most of its operations in Europe and in the United States. The focus is on hemodialysis, primarily at home but also in clinics, for daily as well as nocturnal treatments. The absolute majority of treatments are still conducted in clinics, but home hemodialysis is gaining market share thanks to lower cost, increased convenience for the patient, and improvements in technology—a development which Redsense is both facilitating and participating in. This development is driven in part by policy initiatives, especially in the United States, where kidney care reforms implemented since 2019 are strengthening the incentives to choose home therapy.

Product development

The accessory product Redsense Clamp has been developed and will, when it is launched, complement the company's alarm system with an option to stop the blood flow automatically. Should an incident occur, Redsense Clamp clamps the blood line, which forces the pump to stop without manual intervention and irrespective of the dialysis machine in use.



A year of recovery for Redsense

After the relative idling during the two pandemic years, which we spent on an effort of organizational and strategic consolidation, the turnaround in the market became clear in 2022. Overall, we can now look back on a good year, with annual sales almost touching our previous peak. Above all, we end the year with an excellent fourth quarter that leads us into 2023 with good momentum going forward.

The strong finish was driven by two record orders of MSEK 3.7 and MSEK 15.2, received in October and December, respectively. These two orders indicate a change in the market. It is most apparent in the United States, which is where we have focused our activities lately.

If I were to describe the year in one word, it would be recovery. The drop during the pandemic has gradually been recouped by a market where demand once again has increased, and sales have followed suit, albeit at a somewhat more uneven pace as shown by the quarterly sales development: MSEK 3.1 in the first quarter, MSEK 1.9 in the second, MSEK 1.0 in the third, and MSEK 8.0 in the fourth.

The variations in sales are mainly attributable to our value chain, with sales conducted through distributors in the United States. Over the course of the second and third quarters, our sales were affected by our distributors' stock building in recent years. A challenge for our end customers in the United States is the shortage of professionals in the healthcare sector, which, in turn, has an impact on how quickly new patients can begin at-home hemodialysis. After the fourth quarter, we are, however, getting clear indications that the market has recovered and once again gathered steam.

Team efforts for strengthened deliverability

Thanks to a healthy cooperation across the supply chain, we have together risen to the volume increase and matched the delivery plan. It is

gratifying to see how all parties involved have worked together as a team, and that bodes well for our future order handling.

Raising awareness

During the year, we have also availed ourselves of the renewed possibilities to travel and meet in person, intensifying our marketing activities and establishing contacts across the whole range of stakeholders, from health professionals to purchasers and from distributors to dialysis providers. Among other things, this has involved our participation at a number of conferences, including in Paris, Berlin, California and Florida.

In addition to showcasing our product, an important goal has been to raise the general awareness of blood leakage and how to prevent it. It is particularly important to introduce the idea of a legal obligation to monitor for blood leakage during home dialysis at the political level. For Redsense, that would lay the foundation for future reimbursement through the US healthcare system.

We have seen several signs of a strengthened focus on patient safety, including that we, in tandem with other stakeholders, were invited to brief the US Congress about the risks of venous needle dislodgement; that the UK MHRA published new guidelines on how to handle that complication; and that the Region Västra Götaland, in the tender won by Redsense, specified automatic stop of blood flow as a requirement.

This development should be set against the background of home treatment gaining market share. It is well established that home dialysis offers a range of benefits in terms of clinical outcome as well as patient convenience, and during the third quarter, the American Heart Association presented research findings showing that hemodialysis performed in the home leads to clearly improved treatment outcomes compared with in-clinic treatment for patients with cardiovascular comorbidity.

A WORD FROM THE CEO

The Clamp: the next level of patient safety

A significant risk in connection with home dialysis is blood leakage, which in extreme cases can be fatal.

A lot of our work during the year has revolved around bringing our new accessory product Redsense Clamp to market. The Clamp is an automated tubing clamp, which connects to the alarm unit and clamps the blood line when the alarm goes off, thus prompting an automatic stop of the blood flow. The Clamp upgrades Redsense's product portfolio to a uniquely integrated system, which monitors, detects and intervenes to protect the patient through a rapid chain of reactions.

During the second quarter, we showcased the Clamp at the ERA Congress in Paris where it was met with great interest. Since then, we have prepared the final steps for a market launch that primarily will target Canada, Australia and selected markets in Europe.

In terms of development, what remains before starting the regulatory process for the US market is a user study, which is about to commence in Toronto.

The company is in a phase of commercial upscaling, with good opportunities for growth in the United States and with the launch of the Clamp impending. This implies an intensification of sales and marketing efforts.

It was with these areas in focus that the company's founder Patrik Byhmer in August handed over the helm of the company to me, himself assuming the role of Chairman of the Board to develop the company from a board perspective. Now, the work continues, and our most important strategic objectives for 2023 will be to continue our journey of growth in the US home dialysis segment and to launch the Clamp.

Let me conclude with a brief recap of our current position: We have a product that is regulatory

authorized, clinically accepted, and commercially viable in the largest market of the world—the United States—where demand has recovered and the modality of treatment we are focused on is in a favored position. The forthcoming launch offers us a chance to lead the development by taking the patient safety that the market increasingly demands to the next level.

There is no denying that this is an exciting point of departure!

Finally, my warm thanks to the team and our partners for the good cooperation throughout the year.



Pontus Nöbréus
CEO, Redsense Medical



Safer treatment for dialysis patients

The primary functions of the kidneys are to purify the blood by removing toxic waste products and to remove excess fluid from the body. With advanced age and illness, it is common for the kidneys to start to malfunction. If kidney function becomes severely impaired, the patient must either receive a kidney transplant or undergo chronic regular dialysis treatment. The most efficient method of treatment is a successful kidney transplant. Unfortunately, the need is considerably greater than the supply of organs.

Dialysis involves cleaning the blood by artificial means. Hemodialysis is the most common form of dialysis and is performed in clinics or at home. The Redsense system protects the patient from undetected blood loss during hemodialysis.

Our target market

In the United States, our most important market, it is estimated that one in seven adults is affected by chronic kidney disease, with around half a million patients in need of hemodialysis.

We have attracted significant interest in our product, from clinics and dialysis providers in Europe and the United States. Redsense Medical is focusing on the US market, where it has established its own sales organization. The strategy is to utilize distributors for other markets.

The largest market globally is the US, where two players dominate: DaVita and Fresenius Medical Care. Together, they cover more than two-thirds of the market. Outside of the United States, there are three other major dialysis clinic chains: KfH (Germany), PHV (Germany), and Diaverum (Europe, the Middle East, Asia and South America).

Our product

The Redsense system consists of two parts: a sensor, incorporated into a disposable patch, and an alarm unit. Using fiber optic technology, the Redsense system monitors the venous needle access point continuously. If the needle is dislodged, the blood will be absorbed by the patch and immediately detected by the sensor. This triggers the alarm, alerting patients and caregivers of the situation.

The Redsense system has several advantages

- The system is designed to detect blood specifically—minimal risk of false alarms
- No electronic circuits near the wound
- Entirely plastic-based disposable sensor patch—uncomplicated handling after use
- Lives saved and lower costs of care—significantly improved patient safety with reduced resource consumption

One of the major advantages of the Redsense system is that the product is designed to be integrated with almost every dialysis machine on the market. The product is easily connected to a port on the dialysis machine with a cable. Dialysis machines that are not equipped with this connection can instead be used together with the new product Redsense Clamp. By clamping the bloodline, the blood flow is stopped automatically when blood leakage is detected.

Close your eyes – Redsense keeps a watchful eye

- Easy one-button operation
- Monitors venous needle or catheter access



MANAGING BODY AND BOARD



Patrik Byhmer
Chairman of the Board

Patrik Byhmer is the founder of Redsense Medical AB. He has extensive experience in leading global businesses and solid skills relating to distribution and production outside Europe. His most recent position was as the CEO of Redsense Medical AB. He has previously worked in marketing at Procter & Gamble and as BU Director for medical technology companies with global distribution (Etac AB). He has also set up new business operations in mobile technology as Global VP Sales & Marketing at gigaAnt (now Lite-On).



Susanne Olausson
Director

Susanne has over 25 years of sales experience in the pharmaceutical industry, the medical technology industry, and life science. This includes positions as VP of Commercial Operations, European Congress Manager, Director of Sales & Marketing Development, and Product Specialist and Product Manager in medical technology and pharma. She holds a Degree of Bachelor in Marketing from Växjö University.



Jörgen Hegbrant
Director

Dr. Jörgen Hegbrant, MD, PhD, is an Associate Professor in Nephrology at Lund University. He has close to 40 years of experience in the field of nephrology and internal medicine and more than 25 years of experience in senior positions in global nephrology and dialysis companies. He previously served as Senior Vice President and Chief Medical Officer at Diaverum AB, one of the biggest global renal service providers with dialysis clinics in 23 countries. Prior to joining Diaverum, Jörgen held leading positions at Gambro AB where he was Chief Medical Officer at Gambro Healthcare International and Senior Medical Director at Gambro Corporate Research. Jörgen has global experience in the field of chronic kidney disease and dialysis with broad experience in academia, research & development, dialysis clinic operations and healthcare management. Jörgen currently serves as CEO & Chief Medical Officer of JBA Medical AB. In addition to Redsense Medical AB, he has directorships at LundaTec AB and NorrDia AB and is Senior Medical Advisor & Board Observer at Triomed AB.



Maria Alquist
Director

Dr. Maria Alquist, MD, was elected to the Board of Directors in 2019. Maria has extensive experience from the global kidney care and dialysis industry, and her leading positions include VP Global Medical & Scientific, Senior Medical Director R&D and Medical Safety at Gambro AB/Baxter Renal Care. In addition, she serves as an expert in medtech committees within the Foundation for Strategic Research in Sweden, which annually awards around MSEK 600 to strategic research in the natural sciences, technology, and medicine. Maria is also a board member of LundaTec AB and NorrDia AB, CMO & CEO of RenQMed AB with consultancy assignments for several medtech companies, and also serves as a clinical physician in dialysis and kidney medicine.

MANAGING BODY AND BOARD



Annette Colin
Director

Member of the board since 2021. Her most recent position was as Group CFO and responsible for IR at Biotage AB (publ). Annette has more than 20 years of experience in executive positions such as CEO, CFO, COO, Group Financial Controller and Tax Manager, including 15 years in Life Science. Annette has worked in fast-growing companies and organizations and her broad skills include strategic planning, capital raising, business development, leadership development, streamlining infrastructure and Investor Relations. She has been involved in several M&A and IPO transactions and her experience ranges from start-ups to Large Cap companies. Annette previously held leading positions at Biotage, Annexin Pharmaceuticals, Observe Medical, Stille, Lindab International, Perbio Science, and EY, and is a board member of the listed companies Initiator Pharma and Sozap. She was educated in Business Administration at Lund University, Sweden.



Pontus Nobréus
Chief Executive Officer

Pontus has held leading business positions in diagnostics and medtech for more than 15 years, including employments in the United States and South Africa. When he joined Redsense as the new CEO, his most recent position was as CEO of Pro Health Pharma Sweden AB, and he previously served as CEO of Glycorex Transplantation AB (publ) and Business Development Director at Biovica International AB. He has also worked at HemoCue and Svar Life Science. Pontus's extensive experience extends across sales, channel management, business development, and marketing in international settings. Pontus holds an MBA from Henley Business School as well as a M.Sc. in Mechanical Engineering from Lund University. In addition, he is a Certified Board Member by StyrelseAkademien.



Brendan Kane
U.S. Director of Sales

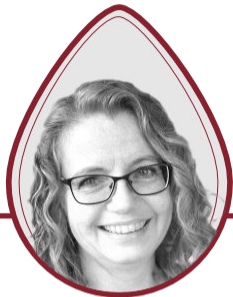
Brendan has more than 25 years of renal industry experience, and his career has encompassed various sales, sales management, and business development positions, including with National Medical Care, Fresenius Medical Care, and American Renal Associates.



Jane Hurst
U.S. Clinical Director

Jane started out as a nurse in 1980. Her experience covers medical specialties such as nephrology, hemodialysis, burns, and oncology. Some time into her career, in 2002, Jane obtained a certification to consult in nursing issues in the judiciary. She currently provides medical-legal knowledge to prosecutors, insurance companies, businesses, and various authorities. In addition to her work as a consultant, Hurst teaches in a national certification program for consultants in legal-medical issues in the United States. She also mentors others in the field.

MANAGING BODY AND BOARD



Ann-Marie Eriksson
Chief Technology Officer

Joined Redsense Medical in January 2020 as new CTO. Ann-Marie holds a Master of Science in Electrical Engineering with specialization in signal processing and telecommunications from the Chalmers University of Technology. Her most recent position was at the Halmstad branch of Etteplan Sweden AB, Swedish subsidiary of the international engineering group Etteplan, where she led the team successfully as Department Manager, Area Manager and Teamleader. She has solid experience of project management and quality systems management, with particular expertise in medical devices.



Sebastien Bollue
Director Commercial Operations

Sebastien joined the Company in 2016, first in the role as Commercial Operations Manager and later as Director of Commercial Operations. As COO, he is responsible for the supply chain and managing the day-to-day commercial operations. He also coordinates distribution, marketing, and clinical evaluations.



Jennie Kardell
Chief Financial Officer

Jennie Kardell took position as new CFO at Redsense in March 2023. Jennie has broad financial skills and solid experience of accounting, process development, international establishment, IPOs and business combinations from a number of leading roles, including as interim CFO. She previously was a partner at Öresunds Redovisning, where she, as Office Manager, led the integration following Ludvig&Co's acquisition of the company in 2021. Jennie Kardell holds a Bachelor in Economics from Uppsala University and is an SRF Certified Accounting Consultant. In addition, she is current President of SRF Konsulterna, Södra Kretsen and is part of the management team for financial and accounting consulting education at IHM Business School in Malmö, Sweden.

A 90 percent increase in value since the IPO

Redsense Medical's share was listed on the AktieTorget exchange (now called Spotlight Stock Market) on 5 June 2015 and moved to Nasdaq First North Stockholm on 2 October 2017. As of 3 May 2019, the share is once again listed on Spotlight Stock Market. The Company's market capitalization on 31 December 2022 was MSEK 133.

The IPO price of Redsense Medical's share in 2015 was SEK 5 per share. On the last day of trading in December 2022, the closing share price was SEK 9.48. The total shareholder return is therefore 89.6 percent since the IPO.

The ten major owners on 2022-12-31

Patrik Byhmer ¹	14.03%
Discover Capital GmbH	5.56%
ÖstVäst Capital Management	5.08%
Avanza Pension	5.05%
Nordnet Pensionsförsäkring	4.81%
Swedbank Robur Fonder	4.13%
Futur Pension	3.54%
Aktia Asset Management	2.21%
Martin Olausson	2.16%
Andra AP-fonden	2.14%
Total	48.71%

1. Holdings through companies.

Share turnover

In total, 2.48 million shares were traded in 2022, at a total value of MSEK 34.

Share capital

On 31 December 2022, the share capital of Redsense Medical amounted to SEK 1,404,081, divided on 14,040,810 shares, each with a quota value of SEK 0.10. All shares carry the same voting rights.

Ownership

At the turn of the year, the ten major owners represented 48.71 percent of the share capital and voting rights. The largest individual shareholder at the end of the year was Patrik Byhmer with a 14.03 percent ownership stake.

The Board of Directors and the Chief Executive Officer of Redsense Medical AB (publ) hereby present the annual report and the consolidated financial statements for the financial year 2022.

The annual report is prepared in Swedish kronor, SEK. Amounts are stated in thousands of SEK (kSEK) unless otherwise specified.

Significant events during the financial year

1 JANUARY–31 MARCH 2022

- In March, Redsense, together with dialysis machine manufacturer Physidia and distributor Nordic Medcom, won a procurement contract awarded by the Region of Västra Götaland. The tender specified as a requirement that blood flow must be stopped automatically when blood leakage is detected.
- Redsense participated in a briefing about venous needle dislodgement (VND) for the US Congress together with multiple professional renal organizations and advocacy associations.
- The UK MHRA published new dialysis guidance acknowledging venous needle dislodgement (VND) as a significant patient risk that needs to be monitored.

1 APRIL–30 JUNE 2022

- The Annual General Meeting on 2 May resolved to elect Patrik Byhmer, then CEO, as new Chairman of the Board.
- On 2 May, Redsense announced the appointment of the experienced sales strategist Pontus Nobréus as new CEO, the date of his commencement to be determined.
- Between 19 and 22 May, Redsense participated in the ERA Congress, showcasing the new product Redsense Clamp.

1 JULY–30 SEPTEMBER 2022

- On 6 July, it was announced that incoming CEO Pontus Nobréus would take over the helm as of

1 August, with outgoing CEO Patrik Byhmer taking position as Chairman of the Board as of the same date.

- On 15 September, Redsense disclosed that a scientific article recently published by the American Heart Association (AHA) recommended home hemodialysis over in-center hemodialysis for kidney patients with cardiovascular disease.
- On 26 September, Redsense presented at Aktiespararna's investor meet Aktiedagen Lund.

1 OCTOBER–31 DECEMBER 2022

- On 18 October, it was announced that Redsense had received its highest value order to date.
- On 21 October, the appointed Nomination Committee for the 2023 Annual General Meeting was announced.
- On 2 December, Redsense announced a new record order of MSEK 15.2 from one of the company's US distributors.
- On 8 December, member of the board Bo Unéus announced his decision to step down.

Ownership

The largest individual shareholder at the end of the financial year was Patrik Byhmer with a 14.03 percent ownership stake. No other shareholders control more than 10 percent of the shares or votes in the Company. The ten major owners controlled 48.71 percent of the share capital and votes at the end of the financial year.

Auditor's review

This annual report has been reviewed by the company's auditor.

MANAGEMENT REPORT

Upcoming publication dates

Quarterly Report Q1-23	2023-05-09
Half-yearly Report Q2-23	2023-08-29
Quarterly Report Q3-23	2023-11-09
Year-end Report Q4-23	2024-02-27
Annual General Meeting	2023-05-09

For more information, please contact the company:

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Redsense Medical's shares have been listed on Spotlight Stock Market since 3 May 2019, trading under the ticker REDS. The company was listed on Nasdaq First North between October 2017 and May 2019.



Multi-year overview (kSEK)

Group kSEK	2022	2021	2020	2019	2018
Net sales	14,340	9,362	14,442	13,265	7,006
Profit or loss after financial items	-8,758	-7,972	-9,034	-5,071	-6,890
Balance sheet total	30,731	43,243	78,704	18,991	9,100
Equity ratio (%)	88.3	86.7	89.9	81.6	47.1

Proposed appropriations of profit or loss

The following funds (SEK) are available to the annual general meeting:

Retained profit	61,368,349
Profit or loss for the year	-12,004,672
	49,363,677

The Board of Directors proposes the following distribution:

Carried forward to new account	49,363,677
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The financial result and position of the Group and the Parent Company in general is set out in the income statements, balance sheets, cash flow statements and notes below.

CHANGES IN EQUITY

Group

kSEK	Share capital	Other contributed capital	Retained profit incl. net profit for the year	Total equity
Opening balance equity	1,404	123,631	-87,543	37,493
Warrant issuance			252	252
Exchange rate differences, foreign subsidiaries			-1,837	-1,837
Profit or loss for the year			-8,758	-8,758
Closing balance equity	1,404	123,631	-97,886	27,149

Parent Company

kSEK	Share capital	Revaluation reserve	Statutory reserve	Fund for development costs	Retained profit incl. net profit for the year	Total equity
Opening balance equity	1,404	-	598	10,000	63,530	75,533
Warrant issuance					252	252
Fund for development costs				2,413	-2,413	-
Profit or loss for the year					-12,005	-12,005
Closing balance equity	1,404	-	598	12,414	49,364	63,780

Conditional shareholder contributions not yet repaid amount to SEK 490,506 as of the balance sheet date (490,506).

CONSOLIDATED INCOME STATEMENT

kSEK	Note	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Net sales		14,340	9,362
Capitalized development work		2,413	6,982
Other operating income		1,036	557
		17,790	16,901
Operating expenses			
Cost of goods sold		-5,489	-5,945
Other external expenses		-12,550	-15,078
Personnel costs	2	-9,906	-7,696
Depreciation/amortization of fixed tangible and intangible assets		-53	-173
		-27,998	-28,892
Operating result		-10,208	-11,991
Result from financial items			
Profit from participations in Group companies		-	-300
Income from other securities and receivables that are fixed assets		-	3,318
Other interest income and similar items		1,552	1,051
Interest expenses and similar items		-102	-51
		1,450	4,019
Profit or loss after financial items		-8,758	-7,972
Profit or loss before tax		-8,758	-7,972
Profit or loss for the year		-8,758	-7,972

CONSOLIDATED BALANCE SHEET

kSEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed Assets			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development work and similar work	5	12,354	9,940
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	7	365	371
<i>Financial assets</i>			
Participations in associated companies and joint ventures	10	-	-
Total fixed assets		12,719	10,311
Current assets			
<i>Inventories, etc.</i>			
Ongoing work		75	75
Finished goods and merchandise		667	1,301
Advances to suppliers		789	-
		1,531	1,376
<i>Short-term receivables</i>			
Accounts receivable		4,934	3,533
Other receivables		326	667
Prepayments and accrued income		641	411
		5,901	4,611
<i>Short-term deposits</i>			
Other short-term deposits	11	6,909	21,969
Cash and cash equivalents		3,672	4,983
Total current assets		18,013	32,939
TOTAL ASSETS		30,731	43,250

CONSOLIDATED BALANCE SHEET

kSEK	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		1,404	1,404
Other contributed capital		123,631	123,631
Other equity including profit or loss for the year		-97,886	-87,543
Equity attributable to the parent company's shareholders		27,149	37,493
Total equity		27,149	37,493
Long-term liabilities			
Bank overdraft facility	3	-	2 572
Short-term liabilities			
Accounts payable		981	1,326
Other liabilities		465	1,023
Accruals and deferred income		2,136	836
		3,582	3,185
TOTAL EQUITY AND LIABILITIES		30,731	43,250

CONSOLIDATED STATEMENT OF CASH FLOWS

kSEK	Note	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Operating activities			
Profit or loss after financial items		-8,758	-7,972
Adjustment for non-cash items		-30	-2,118
Cash flow from operating activities before changes in working capital		-8,788	-10,089
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-103	909
Increase (-)/Decrease (+) in operating receivables		-1,290	-1,076
Increase (-)/Decrease (+) in operating liabilities		397	-1,965
Cash flow from operating activities		-9,783	-12,221
Investing activities			
Acquisition of intangible fixed assets		-2,413	-8,857
Acquisition of tangible fixed assets		-48	360
Acquisition of financial assets		-589	-20,401
Divestment of financial assets		13,918	19,906
Cash flow from investing activities		-10,868	-9,713
Financing activities			
Warrants		176	-
Change in borrowings		-2,572	2,572
Shareholder contributions paid		-	-4,457
Cash flow from financing activities		-2,395	-1,885
Cash flow for the year		-1,311	-23,819
Cash and cash equivalents, opening balance			
Cash and cash equivalents, opening balance		4,983	29,007
Exchange rate difference on cash and cash equivalents			
Exchange rate difference on cash and cash equivalents		-	-205
Cash and cash equivalents, closing balance		3,672	4,983

THE PARENT COMPANY'S INCOME STATEMENT

kSEK	Note	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Net sales		10,516	7,338
Capitalized development work		2,413	6,982
Other operating income		369	557
		13,298	14,877
Operating expenses			
Cost of goods sold		-5,489	-6,127
Other external expenses		-8,834	-12,332
Personnel costs	2	-7,591	-5,858
Depreciation/amortization of fixed tangible and intangible assets		-4,840	-4,959
		-26,753	-29,277
Operating result		-13,455	-14,400
Result from financial items			
Profit from participations in Group companies		-	-369
Income from other securities and receivables that are fixed assets		-	3,318
Other interest income and similar items		1,552	1,051
Interest expenses and similar items		-102	-51
		1,450	3,950
Profit or loss after financial items		-12,005	-10,450
Profit or loss before tax			
Tax on profit for the year	4	-	-
Profit or loss for the year		-12,005	-10,450

THE PARENT COMPANY'S BALANCE SHEET

kSEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed Assets			
<i>Intangible fixed assets</i>			
Capitalized expenditure for development work and similar work	5	12,354	9,940
Concessions, patents, licenses, trade marks and similar rights	6	21,680	26,467
		34,034	36,407
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	7	365	371
<i>Financial assets</i>			
Participations in Group companies	8,9	7	7
Receivables from Group companies	10	12,346	15,305
		12,352	15,312
Total fixed assets		46,751	52,089
Current assets			
<i>Inventories, etc.</i>			
Ongoing work		75	75
Finished goods and merchandise		614	1,247
Advances to suppliers		789	-
		1,478	1,322
<i>Short-term receivables</i>			
Accounts receivable		150	2,803
Receivables from Group companies		10,320	-
Current tax assets		-	156
Other receivables		325	169
Prepayments and accrued income		642	404
		11,437	3,532
<i>Short-term deposits</i>			
Other short-term deposits	11	6,909	21,917
Cash and cash equivalents		220	2,116
Total current assets		20,044	28,887
TOTAL ASSETS		66,795	80,976

THE PARENT COMPANY'S BALANCE SHEET

kSEK	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity	12		
Restricted equity			
Share capital		1,404	1,404
Statutory reserve		598	598
Fund for development costs		12,414	10,000
		14,416	12,003
Non-restricted equity			
Retained earnings		61,368	73,979
Profit or loss for the year		-12,005	-10,450
		49,364	63,530
Total equity		63,780	75,533
Long-term liabilities	3		
Bank overdraft facility	13	-	2,572
Short-term liabilities			
Accounts payable		688	1,332
Other liabilities		465	629
Accruals and deferred income		1,862	910
Total short-term liabilities		3,015	2,872
TOTAL EQUITY AND LIABILITIES		66,795	80,976

THE PARENT COMPANY'S STATEMENT OF CASH FLOWS

kSEK	Note	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Operating activities			
Profit or loss after financial items		-12,005	-10,450
Adjustment for non-cash items		4 225	2,600
Cash flow from operating activities before changes in working capital		-7,779	-7,849
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-156	668
Increase (-)/Decrease (+) in operating receivables		-2,289	-3,034
Increase (-)/Decrease (+) in operating liabilities		-144	-3,695
Cash flow from operating activities		-10,368	-13,911
Investing activities			
Acquisition of intangible fixed assets		-2,413	-6,982
Acquisition of tangible fixed assets		-48	-360
Acquisition of financial assets		-589	-24,858
Divestment of financial assets		13,918	20,965
Cash flow from investing activities		10,868	-11,236
Financing activities			
Change in borrowings		-2,572	2,572
Warrants		176	-
Cash flow from financing activities		-2,396	2,572
Cash flow for the year		-1,896	-22,575
Cash and cash equivalents, opening balance			
Cash and cash equivalents, opening balance		2,116	24,691
Cash and cash equivalents, closing balance		220	2,116

Note 1 Accounting and valuation policies

General information

The annual accounts and consolidated accounts are prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

The accounting policies are the same as the previous year.

Revenue recognition

Revenue has been recognized at the fair value of the consideration received or receivable to the extent that it is likely that the financial benefits arising from it will be available to the company and can be reliably calculated.

Revenue from the sale of goods is usually recognized only when the most significant risks and benefits associated with the ownership of the goods have been transferred from the Company to the buyer.

Consolidated accounts

Method of consolidation

The consolidated accounts have been prepared according to the purchase method, which means that assets and liabilities of acquired subsidiaries are recognized at fair value in line with the established acquisition analysis. If the cost of the subsidiaries' shares exceed the estimated fair value of the anticipated net assets according to the acquisition analysis, the difference is recognized as goodwill.

Transactions between Group companies

Intra-group claims and liabilities, transactions between group companies and unrealized gains are eliminated in full. Unrealized losses are eliminated as well, unless the transaction is equivalent to an impairment loss.

Translation of foreign subsidiaries

Foreign subsidiaries' accounts are translated using the current method. All balance sheet items have been translated at the exchange rate on the balance sheet date. All items in the income statement have been translated at the average exchange rate during the financial year. Any translation differences that arise are reported directly against equity.

Intangible assets

The Company recognizes internally generated intangible assets according to the capitalization model. This means that all expenditure relating to the development of an internally generated intangible asset is capitalized and amortized over the estimated useful life of the asset, provided that the criteria in BFNAR 2012:1 are fulfilled.

Fixed assets

Intangible and tangible fixed assets are recognized at cost less accumulated depreciation/amortization according to plan and any impairment losses.

Depreciation is linear over the asset's estimated useful life, taking significant residual values into account. The following depreciation rates are applied:

Intangible fixed assets

Capitalized expenditure for development work	5 years
Concessions, patents, licenses, trademarks	5-13 years

Tangible fixed assets

Depreciation is expensed in the income statement.

Equipment, tools, fixtures and fittings	20%
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Financial instruments

Financial instruments are measured at cost. The instrument is recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when the contractual right to the cash flow from the asset has expired or been transferred and the company has transferred materially all the risks and rewards associated with the holding. A financial liability is derecognized when the contractual obligation is fulfilled or otherwise has ceased to exist.

Accounts receivable/Current receivables

Accounts receivable and current receivables are recognized as current assets at the amount expected to be paid less individually assessed bad debt.

Inventory

The inventory is measured at the lower of cost and net realizable value at the balance sheet date. Net realizable value refers to the estimated selling price of the goods less the transaction costs. The chosen valuation method takes the effect of obsolescence into account.

Income tax

Total taxes consist of current taxes and deferred taxes. Taxes are recognized in the income statement except where the underlying transaction is recognized directly in equity, upon which the associated tax effect is also recognized in equity.

Remuneration of employees

Remuneration of employees refers to all kinds of remuneration given by the company to its employees. Short-term employee benefits include salaries, paid annual leave, compensated absences, bonus and post-employment benefits (pension). Short-term employee benefits are recognized as expenses and liabilities when there is legal or constructive obligation to pay a remuneration due to a previous event and a reliable estimate of the amount can be given.

Public grants

Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and the company will comply with the conditions attached to the grants. Grants intended to cover investments in tangible or intangible fixed assets reduce the cost of the assets and, hence, the depreciable amount.

Definitions of key figures

- **Net sales:** The undertaking's main income, invoiced costs, additional income and income adjustments.
- **Profit or loss after financial items:** Profit after financial income and expenses, but before extraordinary income and expenditure items.
- **Balance sheet total:** The total assets of the company.
- **Equity ratio (%):** Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

Note 2 Employees and personnel costs

Group	2022	2021
Average number of employees	5	5
Women	2	2
Men	3	3
Salaries and remunerations		
	Board and CEO employees	Other Board and CEO employees
Parent company	3,786	2,453
Subsidiaries		2,315
Group, total	3,786	2,453
Social security contributions		
Pension costs for the Chief Executive Officer	546	537
Other social security contributions, statutory and contractual	1,571	872
	2,117	1,409
Total salaries, remunerations, social security contributions and pension costs	9,172	7,082
Parent Company		
	2022	2021
Average number of employees	3	3
Women	1	1
Men	2	2
Salaries and remunerations		
Chairman of the Board, Bo Unéus	61	100
Chairman of the Board, Patrik Byhmer	44	-
Other board members: Maria Alquist, Jörgen Hegbrant, Annette Colin, Susanne Olausson, Bo Unéus	360	375
Chief Executive Officer*	3,321	2,073
Other employees**	1,940	1,383
	5,726	3,930
Social security contributions		
Pension costs for the Chief Executive Officer	546	537
Pension costs for other employees	232	-
Other social security contributions, statutory and contractual	1,339	872
	2,117	1,409
Total salaries, remunerations, social security contributions and pension costs	7,843	5,339

*Salaries and other remuneration to Patrik Byhmer, Chief Executive Officer until 31 July, amounted to kSEK 2,576 including severance pay. Salaries and other remuneration to Pontus Nobréus, Chief Executive Officer as of 1 August, amounted to kSEK 745.

**Remuneration of interim CFO has been invoiced and is recognized in profit and loss under "Other external expenses".

KSEK 175 (160) was invoiced to one of Bo Unéus' associated companies in respect of consultancy services purchased. KSEK 0 (281) was invoiced to one of Susanne Olauson's associated companies in respect of consultancy services purchased. KSEK 30 (145) was invoiced to one of Maria Alquist's associated companies in respect of consultancy services purchased. KSEK 68 (0) was invoiced to one of Annette Colin's associated companies in respect of consultancy services purchased.

Note 3 Long-term liabilities

Group	2022-12-31	2021-12-31
Parent Company		
Maturity within		
2 to 5 years	-	-

Note 4 Deferred tax asset

Parent Company

There is a tax loss carry-forward of approximately kSEK 65,159 in the Parent Company as of 31 December 2022, corresponding to a theoretical deferred tax asset of approximately kSEK 13,423. For reasons of prudence and uncertainty as to whether the deferred tax asset would remain after ownership changes, no deferred tax asset is recognized in the financial statements as of 2022-12-31.

	2022	2021
Tax on profit for the year		
Current tax	-	-
Total tax recognized		
Reconciliation of effective tax	-	-

Note 5 Capitalized expenditure for development work and similar work

Group	2022-12-31	2021-12-31
Cost, opening balance	10,918	6,598
Purchases	2,413	6,982
Distributed subsidiary	-	-2,663
Accumulated cost, closing balance	13,332	10,918
Depreciation, opening balance	-978	-831
Depreciation for the year	-	-147
Accumulated depreciation, closing balance	-978	-978
Carrying amount	12,354	9,940
Parent Company	2022-12-31	2021-12-31
Cost, opening balance	10,918	3,935
Purchases	2,413	6,983
Accumulated cost, closing balance	13,332	10,918
Depreciation, opening balance	-978	-813
Depreciation for the year	-	-147
Accumulated depreciation, closing balance	-978	-978
Carrying amount	12,354	9,940

Note 6 Concessions, patents, licenses, trade marks and similar rights

Parent Company	2022-12-31	2021-12-31
Cost, opening balance	32,600	32,600
Accumulated cost, closing balance	32,600	32,600
Amortization, opening balance	-6,133	-1,347
Amortization for the year	-4,786	-4,786
Accumulated amortization, closing balance	-10,920	-6,133
Carrying amount	21,680	26,467

Note 7 Equipment, tools, fixtures and fittings

Group	2022-12-31	2021-12-31
Cost, opening balance	431	1,960
Purchases	48	360
Assets belonging to distributed subsidiary	-	-1,889
Accumulated cost, closing balance	479	431
Depreciation, opening balance	-60	-34
Depreciation for the year	-53	-26
Accumulated depreciation, closing balance	-114	-60
Carrying amount	365	371

Parent Company	2022-12-31	2021-12-31
Cost, opening balance	431	71
Purchases	48	360
Accumulated cost, closing balance	479	431
Depreciation, opening balance	-60	-34
Depreciation for the year	-53	-26
Accumulated depreciation, closing balance	-114	-60
Carrying amount	365	371

Note 8 Specification of participations in Group companies

Parent Company	Equity stake
Namn	
Redsense Medical Inc (USA)	100%
	Equity Profit or loss
Redsense Medical Inc (USA)	-13,356 -1,587

Note 9 Participations in Group companies

Parent Company	2022-12-31	2021-12-31
Cost, opening balance	7	60,050
Liquidation, outgoing	-	-30,000
Distribution, outgoing	-	-30,050
Reclassification	-	7
Accumulated cost, closing balance	7	7
Carrying amount	7	7

Note 10 Receivables from Group companies

Parent Company	2022-12-31	2021-12-31
Cost, opening balance	15,305	14,803
Incoming receivables	-	502
Outgoing receivables	-2,959	-
Accumulated cost, closing balance	12,346	15,305
Carrying amount	12,346	15,305

Note 11 Shares and participations, current assets

Group	Cost	Carrying amount	Market value
Parent Company			
2021-12-31			
Name			
Shares in listed companies	17,839	17,839	18,733
Debt securities	4,077	4,077	4,081
	21,917	21,917	22,814
2022-12-31			
Name			
Shares in listed companies	8,949	6,909	6,909
	8,949	6,909	6,909

Refers to securities of listed Swedish and foreign companies.

Note 12 Number of shares and quota value

Parent Company

Name	Number of shares	Quota value
Number of shares at the beginning of the year	14,040,810	0.1
Number of shares at the end of the year	14,040,810	0.1

There are 100,000 warrants outstanding in the Company, which can increase the share capital by SEK 10,000. The exercise period is between 1 and 30 June 2025.

Note 13 Bank overdraft facility

Group

Parent Company

	2022-12-31	2021-12-31
Bank overdraft facility, amount granted	2,000	3,000
Credit drawn	-	2,572

Note 14 Significant events after the end of the financial year

- On 3 January, Redsense announced that MSEK 4.75 of the previously disclosed record order received in December 2022 had been delivered, with the balance of the order planned for delivery in the first quarter.
- On 20 January, Redsense announced that Jennie Kardell will join the company as new Chief Financial Officer as of March 2023.
- ECRI (Emergency Care Research Institute) included Venous Needle Dislodgement as number 4 on its 2023 list of Top 10 Technology Hazards.

Note 15 Pledged assets

Group

Parent Company

	2022-12-31	2021-12-31
Business mortgage	1,500	1,500
	1,500	1,500

SIGNATURES

Halmstad, Sweden, on the day specified by our electronic signature

Patrik Byhmer
Chairman of the Board

Susanne Olausson
Director

Jörgen Hegbrant
Director

Annette Colin
Director

Maria Alquist
Director

Pontus Nobréus
Chief Executive Officer

Our auditor's report was submitted on they day specified by our electronic signature.

KPMG AB

Andreas Johansson
Authorized Public Accountant



REDSENSE MEDICAL AB (PUBL.)

Reg.no. 556646-4862

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E-mail: info@redsensemedical.com
www.redsensemedical.com



Auditor's Report

To the general meeting of shareholders of Redsense Medical AB (publ.), reg.no. 556646-4862

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Redsense Medical AB (publ.) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 15-32 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-14. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts and

consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a Auditor's Report Redsense Medical AB (Publ.), reg.no. 556646-4862, 2022

basis for the opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of the company's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Concludes on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. The auditor also draws a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists



related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- The auditor must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. The auditor must also inform the Board of Directors of significant audit findings during the audit, including any significant deficiencies in internal control that the auditor identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Redsense Medical AB (publ.) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes,

among other things, continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other matters, take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that

the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. The review of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on the auditor's professional judgment guided by risk and materiality. This means that the auditor focuses the review on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. The auditor reviews and tests decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to the opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, the auditor reviewed whether the proposal is in accordance with the Companies act.



Halmstad, 2023-04-12
KPMG AB

Andreas Johansson
Authorized Public Accountant