



Q4

Year-end report

Senzime AB (publ.)
January - December 2023

JANUARY – DECEMBER 2023 IN BRIEF

FORTH QUARTER 2023 (1 OCTOBER – 31 DECEMBER)

- Net sales amounted to TSEK 10,850 (4,550), an increase of 138 %. Sales of instruments/others TSEK 4,202 (1,603), an increase of 162 %. Sales of disposables TSEK 6,647 (2,947), an increase of 126 %. In the USA, net sales increased from TSEK 1,820 the previous year to TSEK 8,300 in 2023, corresponding to a growth of 356 %.
- Currency neutral net sales increased by 135 %.
- Gross margin excl. amortization was 70.8 % (65.3).
- Operating expenses amounted to TSEK 43,379 (41,390)
- EBITDA amounted to TSEK -34,655 (-37,460).
- Profit (loss) after financial items was TSEK -39,617 (-42,692).
- Earnings per share SEK -0.33 (-0.61).
- Cash and cash equivalents as of December 31, TSEK 151,009 (26,035)

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Senzime signs contract with top 10-ranked US university hospital in Eastern US, secures orders from several university hospitals in Germany, and signs a TetraGraph contract with a large hospital system in the New York metropolitan area.
- Launch of TetraSensitive, the market's first EMG-sensor for neuromuscular monitoring of patients with sensitive skin.
- Senzime's stock begins trading on the US-based OTCQX list to meet the interest of investors in North American markets.
- An extraordinary general meeting elects Per Wold-Olsen as new chairman of the board, Lars Axelson as a new member and Adam Dahlberg is appointed as vice chairman.
- Senzime issues a third tranche of consideration shares to sellers of Respiratory Motion (RMI) as planned.

EVENTS AFTER THE END OF THE FOURTH QUARTER

- Senzime expands the commercial organization in the US-market.
- Senzime's licensee Fukuda Denshi launches integrated TetraGraph module in the Japanese market.

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

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

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

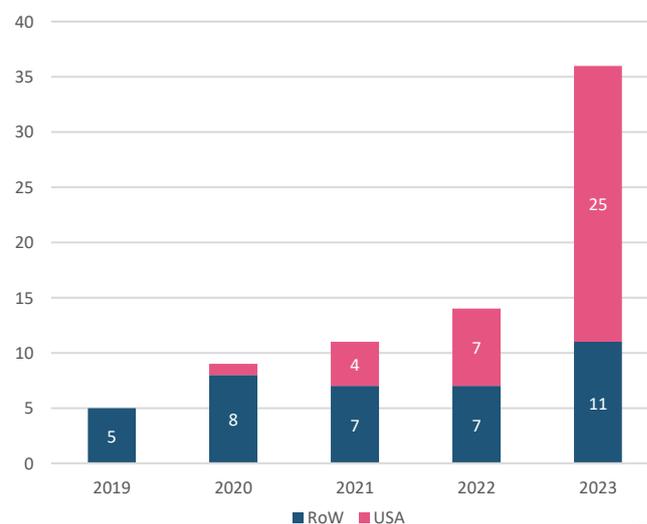
FULL YEAR 2023 (1 JANUARY – 31 DECEMBER)

- Net sales amounted to TSEK 35,754 (14,034), an increase of 155 %. Sales of instruments/others TSEK 16,228 (6,686) an increase of 143 %. Sales of disposables TSEK 19,526 (7,348), an increase of 166 %. In the USA, net sales increased from TSEK 6,801 the previous year to TSEK 24,742 in 2023, corresponding to a growth of 264 %.
- Adjusted net sales¹ increased by 128 %.
- Gross margin excl. amortization was 69.8 % (62.0).
- Operating expenses amounted to TSEK 145,699 (129,510) and adjusted operating expenses² amounted to TSEK 138,853 (112,709)
- EBITDA amounted to TSEK -116,793 (-118,355). Adjusted for one-time expenses², EBITDA amounted to TSEK -109,946 (-101,554 adjusted for RMI acquisition costs).
- Profit (loss) after financial items was TSEK -137,159 (-134,358).
- Earnings per share SEK -1.45 (-1.99).

OTHER SIGNIFICANT EVENTS DURING 2023

- Philip Siberg is appointed new CEO.
- Rights issue and direct issues add MSEK 265 to the company during the year, before transaction costs.
- The new clinical guidelines adopted in the autumn of 2022 by the anesthesia organizations ASA and ESAIC, that recommend Senzime's type of patient monitoring technology, are published in leading journals.
- Senzime signs contracts with a number of leading university hospitals in the US and German markets.
- Production capacity is expanded to meet increased demand.
- Out-licensing of ExSpiiron on the Chinese market.

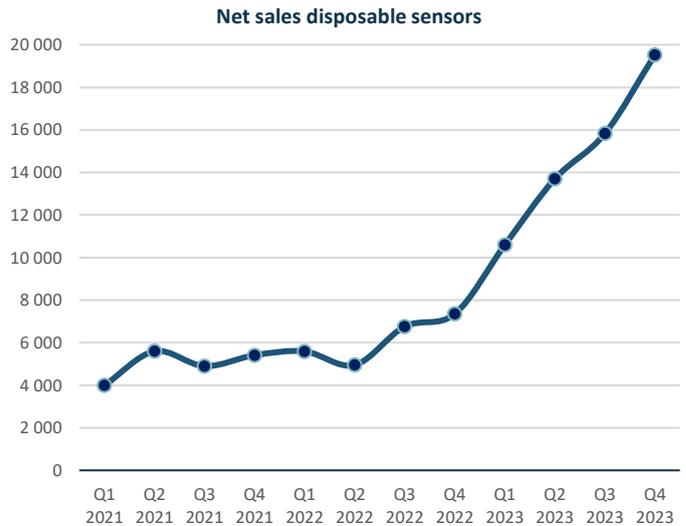
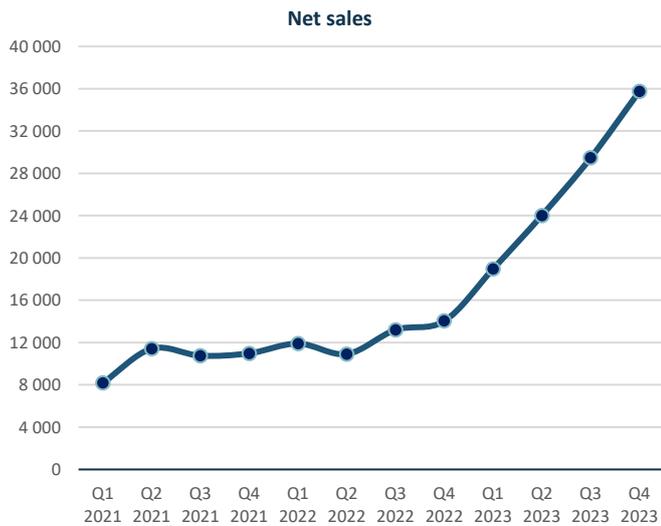
NET SALES 2023 (MSEK)



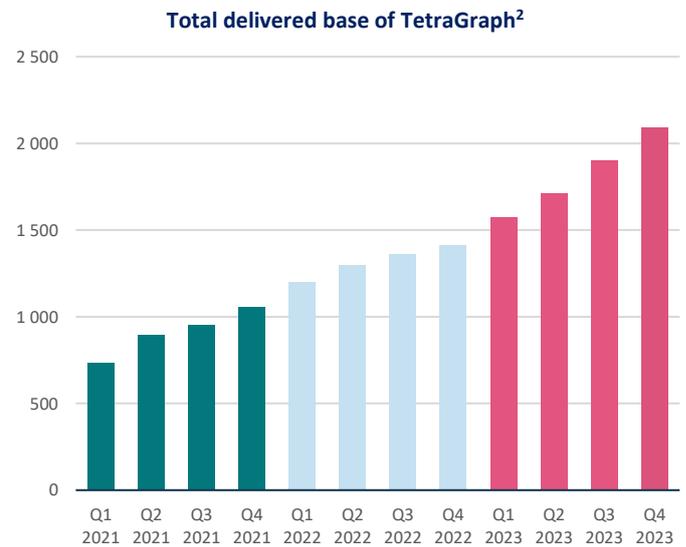
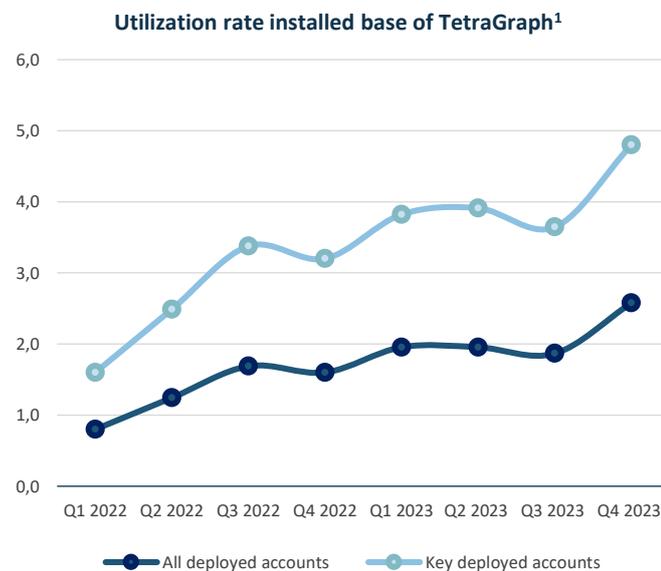
Key performance indicators

TSEK	Q4		TOT YEAR	
	2023	2022	2023	2022
Net Sales	10,850	4,550	35,754	14,034
EBITDA	-34,655	-37,460	-116,793	-118,355
Profit (loss) after financial items	-39,617	-42,692	-137,159	-134,358
Earnings per share (SEK)	-0.33	-0.61	-1.45	-1.99
Gross margin excl. amortization (%)	70.8	65.3	69.8	62.0
Solidity (%)	86.7	81.4	86.7	81.4
Sales growth (%)	138.5	22.4	154.8	27.8

SALES 12-MONTHS ROLLING (TSEK)



ROLL-OUT TETRAGRAPH



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

KPI NUMBER OF CUSTOMERS (HOSPITAL ACCOUNTS)

At the end of Q4, the company had a total of 176 customers (vs. 111 customers at the end of December 2022) in the main markets (USA, Europe and Australia/New Zealand).

The year of commercial breakthrough

2023 was truly a breakthrough year for Senzime. Sales in the last quarter of the year alone reached almost 80 percent of full year 2022 sales. For the full year 2023, sales increased by roughly 150 percent to approximately SEK 36 million. The growth during the year has been driven by large new contracts and increased recurring sensor sales. At the end of the year, our annual run-rate of sales was close to SEK 60 million.

Sales growth has been boosted by the new US and European clinical guidelines published in early 2023. These benefit over 100 million patients per year and are the result of over 40 years of clinical research and a consensus that patients receiving muscle relaxants under general anesthesia should be monitored using the type of technology that Senzime is a world leader in. It is about quantitative and algorithm-based monitoring of neuromuscular function in operating rooms.

The growth in 2023 is also the result of a series of important deals and recurring sales of disposable sensors to the installed base of TetraGraph systems. Sales of disposable sensors increased by 150 percent during the year, which shows the leverage in our business as the utilization rate of our patient monitors gradually increases. In 2023, we sold over 100,000 TetraSens sensors and we have now shipped more than 2,000 TetraGraph systems. The goal is that each TetraGraph eventually generates SEK 50,000 per year in recurring sensor sales. We get there via structured work and during 2023 the reported utilization rate for our key accounts increased by 50 percent. This provides good support for our business objectives, which are already in line with our long-term business expectations.

Our important US-market continues to grow rapidly. During the fourth quarter, sales more than quadrupled compared to 2022. Our new sales management and expanded commercial organization generated results. In 2023, we won a number of key hospital contracts for the TetraGraph system, a result of extensive clinical and competitive evaluations. We win by offering the most clinically relevant, user-friendly, and long-term sustainable solutions. Nevertheless, our complete product offering, our team, and our commitment to increased patient safety are valued. Senzime is perceived as the reliable and long-term supplier with the ability to efficiently carry out large-scale implementations.

The deals we won during the quarter included a top 10-ranked US university hospital in Eastern US and a major hospital system in the New York metropolitan region. The value of these deals lies mainly in the recurring sensor sales. As an example, the hospital system in New York alone has the potential to generate over SEK 8 million in recurring revenue at full capacity utilization.

Other markets also show good growth. Our sales organization in Germany has grown during the year and we have won a number of important local hospital contracts. During the fourth quarter, we secured important deals with several university hospitals in Germany. Businesses in Europe usually start with a small number of monitors but gradually grow over time.



The ExSpiron system, which we acquired in 2022, is also met with great interest in the market, although at current with longer sales cycles than TetraGraph. In 2023, we signed the first license agreement for the Chinese market and the majority of our TetraGraph distributors now also market ExSpiron. We make a non-cash-flow write-down of the value of ExSpiron mainly to adjust it to lower relative peer market valuations. The long-term assessments for ExSpiron have not changed but the new clinical guidelines supporting TetraGraph are prioritized and the business focus in 2024 is to maximize capitalization on this opportunity.

The gross margin before depreciation strengthened during the quarter to 70.8 percent, compared to 65.3 percent the year before. For the full year, the margin increased to 69.8 percent compared to 62.0 percent in 2022. The improvement is the result of a product mix with an increased share of disposable sensors, license income and an efficient production apparatus. To meet the increased demand, production was scaled-up during 2024 and we will move to even more suitable premises in 2024.

Our direct operating costs are stable according to plan and amounted to SEK 36.9 million during the quarter, compared to SEK 38.1 million in the same quarter of 2022. However, negative currency effects contributed to cost increases compared to the corresponding quarter last year.

We are running an active innovation agenda to ensure our leading position in the technological shift taking place in our market. The patent portfolio increased further during the year with over 10 new patents, and we now have a portfolio of over 90 patents protecting our products. During the quarter, we launched TetraSensitive, the market's first disposable EMG-sensor for neuromuscular monitoring of patients with sensitive skin. The collaboration with Masimo delivered a first milestone during the year through the integration of TetraGraph with Masimo's iSirona system. Further launches are planned within the framework of the collaboration, but with some announced delays from Masimo's side.

In order to meet the interest from the US market, we listed our stock in the fall on the OTCQX market in New York. We currently have roughly 10 percent of our owners in the US, and the listing on the OTCQX list enables easier trading of our stock on the local market.

The really big commercial breakthrough for Senzime has begun. It has been a long journey and today Senzime is the only supplier offering a comprehensive portfolio of neuromuscular monitoring solutions that meet the new clinical guidelines for adults, children and patients with sensitive and fragile skin.

Our focus continues to be market leading and secure profitable growth. We achieve this by ensuring a high level of utilization of our systems, offering the most user-friendly and innovative solutions and scaling up with the support of smart industrial partnerships. Everything is made possible by a brilliant team and in January we announced further expansion of the commercial team in the US market.

The board has also been strengthened to support our global ventures. During the fourth quarter, industry veteran Per Wold-Olsen was elected as the new chairman of the board, Adam Dahlberg was elected as the new vice chairman and AB Segulah's CEO Lars Axelson was elected as a new board member.

With the support of a strong pipeline and high demand in the market, many ongoing evaluations and a continued increased utilization rate of the installed base, we see confidence in reaching our long-term financial goals.

I want to say thank you to all employees, customers, partners and shareholders and look forward to a very exciting 2024!

Uppsala, February 2024
Philip Siberg, CEO



Comments to the Report

Revenue and profit in the fourth quarter 2023

The group's net sales for the fourth quarter of 2023 amounted to TSEK 10,850 (4,550), corresponding to an increase of 138 percent compared to the corresponding quarter of the previous year. Adjusted for currency changes, sales increased by 135 percent.

The growth was primarily driven by increased sales of TetraGraph monitors in the US market and continued increased sales of TetraSens sensors in all markets. Monitor sales increased by 160 percent driven by a number of major US hospital wins. Sales of disposable sensors increased by 121 percent adjusted for currency changes. In the US, underlying sales, adjusted for currency effects, increased by 360 percent. In the main markets, it was primarily the installed base of monitors that drove sensor sales growth.

The gross margin before depreciation during the fourth quarter amounted to 70.8 percent, compared to 65.3 percent for the corresponding quarter last year. An increase related to product and customer mix where an increased share of total sales comes from direct market sales of TetraGraph monitors in the US as well as increased sales of the disposable sensors in the main markets. Licensing income from Japan helped strengthen the margin during the quarter.

During the fourth quarter, the group's total operating expenses amounted to TSEK 43,379 (41,390). Direct operating expenses (excl currency effects) amounted to TSEK 36,930 (38,090) and other operating income and expenses, related to currency-impact recalculation of balance sheet items, amounted to TSEK 6,449 (3,300). Negative currency effects have contributed to cost increases compared to the corresponding quarter of the previous year.

The operating profit during the fourth quarter amounted to TSEK -40,086 compared to TSEK -42,485 during the corresponding quarter of the previous year.

Bridge adjusted OPEX

TSEK	Q4		Jan-Dec	
	2023	2022	2023	2022
OPEX - reported	43 379	41 390	145 699	129 510
Severance CEO	-	-	-4 107	-
Corporate financing and related expenses	-	-	-2 739	-
RMI acquisition expenses	-	-	-	-16 800
OPEX - adjusted	43 379	41 390	138 853	112 710
EBITDA - reported	-34 655	-37 460	-116 793	-118 355
EBITDA - adjusted	-34 655	-37 460	-109 947	-101 555
EBIT - reported	-40 086	-42 485	-137 360	-133 905
EBIT - Adjusted	-40 086	-42 485	-130 514	-117 105

Revenue and profit January – December 2023

Net sales during the period amounted to TSEK 35,754 (14,034), corresponding to an increase of 155 percent compared to the same period last year. Adjusted for sales of RMI products and currency changes, sales increased by 128 percent.

The growth is mainly related to direct sales on the US market to new customers as well as recurring sales of TetraSens disposable electrodes to existing customers. We also see an increase in activities and sales in the Japanese market. In the US, underlying sales, adjusted for currency and RMI, increased by 233.3 percent and in Asia by 232.7 percent related to increased sales to Japan.

The gross margin before depreciation during the period amounted to 69.8 percent, compared to 62.0 percent the previous year. The increase is primarily attributable to product and customer mix, where an increased share of total sales comes from the sale of disposable sensors TetraSens and TetraSens Pediatric, above all in the US market. The license agreements in China and Japan have also contributed to increased margins during the period.

The group's total operating expenses amounted to TSEK 145,699 (129,510). Adjusted for non-recurring costs this year related to CEO change and company financing and, among other things, legal support and work with issuing the second and third tranches of the RMI consideration shares, the total operating costs amounted to TSEK 138,853 (112,710 adjusted for RMI acquisition costs). Continued planned expansion of the sales and marketing organization in the US, integration of the RMI organization from the acquisition in 2022 which means 12 months of costs in 2023 compared to 6 months of costs in the same period last year, as well as negative currency effects have contributed to cost increases compared to the corresponding period last year.

The operating profit for the period amounted to TSEK -137,360 adjusted TSEK -130,514 (-133,905, adjusted -117,104). The operating profit before depreciation for the period amounted to TSEK -116,793 adjusted TSEK -109,947 (-118,354, adjusted -101,554).

TSEK Oct-Dec	Reported			RMI adjusted	RMI and currency adjusted	TSEK Jan-Dec	Reported			RMI adjusted	RMI and currency adjusted
	2023	2022	Growth	Growth	Growth		2023	2022	Growth	Growth	Growth
US	8,300	1,820	356%	356%	360%	US	24,742	6,801	264%	247%	233%
Devices/Other	3,032	76	3,866%	3,866%	3,872%	Devices/Other	10,187	2,108	383%	382%	344%
Disposables	5,269	1,744	202%	202%	203%	Disposables	14,554	4,693	210%	186%	181%
Europe	2,029	2,570	-21%	-21%	-27%	Europe	7,865	6,559	20%	19%	10%
Devices/Other	836	1,369	-39%	-39%	-43%	Devices/Other	3,801	3,929	-3%	-5%	-11%
Disposables	1,193	1,201	-1%	-1%	-8%	Disposables	4,065	2,630	55%	54%	42%
RoW	520	159	227%	227%	212%	RoW	3,147	674	367%	207%	187%
Devices/Other	334	158	112%	112%	103%	Devices/Other	2,240	649	245%	79%	69%
Disposables	186	1	13,251%	13,251%	12,900%	Disposables	907	26	3,455%	3,455%	3,142%
Senzime Oct-Dec	10,850	4,550	138%	138%	135%	Senzime Jan-Dec	35,754	14,034	155%	138%	128%
Devices/Other	4,202	1,603	162%	162%	160%	Devices/Other	16,228	6,686	143%	126%	114%
Disposables	6,647	2,947	126%	126%	121%	Disposables	19,526	7,348	166%	150%	141%

Financial position

At the end of the fourth quarter, the group's equity amounted to TSEK 375,477 (261,903). The equity ratio amounted to 86.7 percent (81.4). At the end of the period, the company's cash and cash equivalents amounted to TSEK 151,009 (26,035). During the quarter, the company closed a directed issue of 117 million SEK before issue costs at the prevailing market rate. The board's and management's assessment is that the business is financed beyond a period of twelve months.

Cash-flow and investments

Cash flow from current operations, including changes in working capital, amounted to TSEK -29,157 (-29,436) for the fourth quarter. The negative cash flow is mostly due to the negative result balanced by positive change in working capital. Cash flow from investment activities for the fourth quarter amounted to TSEK -2,152 (-1,224). Investments during the period are largely related to the activation of development projects. Cash flow from financing activities amounted to TSEK 112,299 (-935) for the fourth quarter. During the fourth quarter, a directed issue of 117 million SEK before transaction costs was carried out.

Cash flow from current operations including changes in working capital for the period January-December 2023 amounted to TSEK -113,908 (-136,778). The negative cash flow is largely due to the negative result, balanced by a positive change in working capital. Increased sales and better planning have contributed to a certain reduction in inventory during the period. The cash flow from investment activities for the period January – December 2023 amounted to TSEK -7,821 (-4,977), and is largely related to the activation of development projects. The cash flow from financing activities for the period January – December 2023 amounted to TSEK 246,511 (92,364). During the month of March 2023, Senzime carried out a rights issue and during the months of August and October 2023 two directed issues, which together brought to the company approx. 265 million SEK before issue and guarantee costs or approx. 250 million SEK after issue and guarantee costs.

Stock options

The group has four employee option programs with a total of 3,210,000 options, of which 420,000 options have expired. See note 8 for detailed descriptions. Based on the existing number of shares and outstanding employee option and warrants, the dilution as a result of the programs, assuming that all warrants are exercised for new shares, is calculated to amount to a maximum of 2.6 percent. Adjusted for expired options, the corresponding figure is 2.3 percent.

Parent company and subsidiaries

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

Non-cash flow write-down

Senzime has made a non-cash flow-affecting write-down of the shares value of Respiratory Motion Inc (RMI) in the parent company Senzime AB of approximately 46 million SEK in the fourth quarter in accordance with the IFRS accounting standard. The write-down is attributable to lower market value of the RMI assets as compared to the acquisition in July 2022, as well as an analysis of the short-term growth required to balance the book value. Senzime has continued confidence in the long-term growth plan for the ExSpiron portfolio but given the positive market momentum for the TetraGraph system and current business priorities, growth for the ExSpiron system is estimated to take longer than previously estimated. In connection with the write-down, a provision of SEK 74 million was also made in the parent company's accounts for 2023 related to Senzime AB's claim against RMI, mostly related to the take-over of RMI's debts in connection with the acquisition.

Sustainability

Senzime's operations contribute to improved global health and patient safety by reducing anesthesia and breathing-related complications and lowering healthcare costs in connection with surgical procedures and emergency treatments. Senzime's sustainability work supports the commitment to patients and strives for sustainable development based on responsible action and in line with the fundamental values. In 2023, Senzime signed an agreement with the UN Global Compact, which means that the company commits to operating according to their 10 principles, which include labor law, human rights, anti-corruption and the environment. In 2023, the company was certified for ISO 14001 environmental management system.

Other significant events in the quarter

A new clinical study using the TetraGraph system was published in the British Journal of Anesthesia Open (BJA Open). The study was the first of its kind and validated the TetraGraph system's waveforms (action potentials) using an AI-based neural network with an accuracy exceeding 99 percent. The study was conducted by a research group at the University of Miami where they have used clinical data from the Mayo Clinic and the University of Debrecen to develop and validate an AI-based convolutional neural network (CNN) that correctly identifies motor action potentials (CMAPs) from the TetraGraph system.

During the month of November, the board of Senzime carried out a directed new issue related to the acquisition of Boston-based Respiratory Motion Inc, which was carried out on June 1, 2022. According to the agreements for the transaction, the initial consideration, after customary adjustments for net debt and normalized working capital, is to be paid in the form of 8,477 937 shares in Senzime to the sellers of Respiratory Motion who, on July 1, 2023 at the latest, fulfilled certain conditions agreed in the transaction for obtaining the shares. As a result of difficulties in transferring shares to US securities accounts, the Board of Directors of Senzime decided on July 5, 2023, to extend the end date for the sellers' fulfillment of conditions for obtaining shares to August 31, 2023. Each seller who fulfills the conditions by that date will receive his share of the initial the consideration, which is offset against the subscription proceeds for the seller's share in the consideration shares. The new issue was carried out with the support of the issue authorization from the general meeting on May 16, 2023, and amounted to 1,583,064 shares at a subscription price of SEK 18.59 per share. The subscription price per share corresponded to the volume-weighted price (VWAP) for the twenty trading days up to and including May 31, 2022. Eligible for subscription were the sellers of Respiratory Motion who met the conditions for obtaining shares on August 31, 2023. Payment for the shares was made by offsetting against the sellers' shares in the initial consideration. The reason for the deviation from the shareholders' preferential right is to complete the transaction in accordance with the agreements entered into. The share issue entailed a dilution of approximately 1.3 percent of the number of shares and votes in Senzime. The number of shares and votes in Senzime increased through the new issue by 1,583,064 from 118,122,614 to 119,705,678. The share capital increases by SEK

197,883 from SEK 14,765,326.75 to SEK 14,963,209.75. On July 1, 2022, 2,127,537 Compensation Shares were issued, on July 5, 2023, 5,055,954 Compensation Shares were issued and now up to 1,583,064 additional Compensation Shares are being issued. The total number issued as a result of the acquisition of Respiratory Motion thus amounts to 8,766,555, which is slightly higher – 288,618 shares – than the originally communicated number (which was 8,477,937). The difference is due to final contractual commitments within the framework of the transaction. Respiratory Motion has been consolidated into Senzime's financial reporting since July 1, 2022.

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

Significant events after the end of the quarter

Senzime expands the commercial organization in the US, appoints a Vice President Global Marketing and moves the US headquarters from Boston to St. Louis. The expansion of the commercial operations in the USA is the result of increased demand for Senzime's products and solutions.

Senzime's licensee Fukuda Denshi launches integrated TetraGraph module in the Japanese market. The new NH100 module, developed based on Senzime's TetraGraph technology, is marketed as a new accessory to Fukuda Denshi's patient monitoring system to enable EMG-based neuromuscular monitoring in operating rooms.

Risks and uncertainty factors

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

Covid-19 and the geopolitical situation

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

Review

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

Board of Directors' certification

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

Uppsala February 15, 2024

Per Wold-Olsen
Chairman of the Board

Adam Dahlberg
Vice chairman

Sorin J. Brull
Board member

Göran Brorsson
Board member

Eva Walde
Board member

Lars Axelsson
Board member

Philip Siberg
Chief Executive Officer

Condensed Consolidated Statement of Comprehensive Income

Amounts in SEK thousands	Note	Q4		Jan-Dec	
		2023	2022	2023	2022
Net sales	2	10,850	4,550	35,754	14,034
Cost of goods sold	3	-7,557	-5,645	-27,415	-18,429
Gross profit (loss)		3,293	-1,095	8,339	-4,395
Development expenditure	4	-4,883	-6,461	-19,363	-19,463
Selling expenses	4	-22,332	-23,475	-77,682	-70,045
Administrative expenses	5	-9,715	-8,154	-45,107	-44,340
Other operating income		4,860	3,361	15,290	16,461
Other operating expenses		-11,309	-6,661	-18,837	-12,123
Earnings before interest and taxes		-40,086	-42,485	-137,360	-133,905
Financial income		630	-	999	-
Financial expenses		-161	-207	-798	-453
Financial items - net		469	-207	201	-453
Profit (loss) after financial items		-39,617	-42,692	-137,159	-134,358
Income tax		809	-194	3,010	1,658
Profit (-loss) for the period		-38,808	-42,886	-134,149	-132,700

Amounts in SEK thousands	Note	Q4		Jan-Dec	
		2023	2022	2023	2022
Profit (-loss) for the period		-38,808	-42,886	-134,149	-132,700
Other comprehensive income					
Items reclassifiable to profit or loss					
Translation differences		-7,346	-7,788	-3,325	2,348
Total comprehensive income		-46,154	-50,674	-137,474	-130,352

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

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

SEK	Note	Q4		Jan-Dec	
		2023	2022	2023	2022
Weighted average number of shares, before dilution	6	119,054,863	69,883,985	92,269,497	66,627,234
Weighted average number of shares, after dilution	6	119,054,863	69,883,985	92,269,497	66,627,234
Earnings per share, basic and diluted, SEK	6	-0.33	-0.61	-1.45	-1.99

Condensed Consolidated Balance Sheet

Amounts in SEK thousands	31 December	
	2023	2022
ASSETS		
Non-current assets		
Intangible assets	227,193	243,328
Property plant and equipment	2,592	2,285
Rights of use	11,931	13,781
Other financial assets	4,431	4,084
Total non-current assets	246,147	263,478
Current assets		
Inventories	20,340	21,652
Trade receivables and other receivables	8,569	4,210
Other receivables	4,819	4,746
Prepaid expenses and accrued income	2,238	1,721
Cash and cash equivalents	151,009	26,035
Total current assets	186,975	58,364
TOTAL ASSETS	433,122	321,842
EQUITY AND LIABILITIES		
Equity	375,477	261,903
LIABILITIES		
Non-current liabilities		
Provisions	3,750	2,886
Lease liability	8,578	10,506
Deferred tax liability	21,767	25,361
Total non-current liabilities	34,095	38,753
Current liabilities		
Lease liability	2,890	2,537
Trade payables	5,146	7,318
Other current liabilities	3,608	2,508
Accrued expenses	11,906	8,823
Total current liabilities	23,550	21,186
TOTAL EQUITY AND LIABILITIES	433,122	321,842

Condensed Consolidated Statement of Changes in Equity

Amounts in SEK thousands	Attributable to parent company's shareholders				Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for	
Opening balance January 1, 2022	7,812	397,553	1,333	-256,118	150,580
Adjustment of conversion difference			621	-621	
Adjusted opening balance as of 1 January 2022	7,812	397,553	1,954	-256,739	150,580
Profit (-loss) for the period				-132,701	-132,701
Other comprehensive income			2,348		2,348
Total comprehensive income	-	-	2,348	-132,701	-130,353
Transactions with shareholders in their capacity as owners					
Staff stock options				1,577	1,577
Set-off issue upon acquisition	168	130,804			130,972
Expenses attributable to new share issues		-244			-244
Settlement of debts	97	14,286			14,383
Directed cash issue	658	99,342			100,000
Expenses attributable to new share issues		-5,012			-5,012
Total transactions with shareholders	923	239,176	-	1,577	241,676
Closing equity 31 December 2022	8,735	636,729	4,302	-387,863	261,903

Amounts in SEK thousands	Attributable to parent company's shareholders				Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for	
Opening balance January 1, 2023	8,735	636,729	4,302	-387,863	261,903
Profit (-loss) for the period				-134,149	-134,149
Other comprehensive income			-3,325		-3,325
Total comprehensive income	-	-	-3,325	-134,149	-137,474
Transactions with shareholders in their capacity as owners					
Staff stock options				859	859
Nyemission	1,585	90,364			91,949
Expenses attributable to new share issues		-9,106			-9,106
Nyemission	1,563	54,687			56,250
Kostnader hämförliga till emissioner		-2,124			-2,124
Emission	830	-830			-
Nyemission	2,250	114,750			117,000
Kostnader hämförliga till emissioner		-3,780			-3,780
Total transactions with shareholders	6,228	243,961	-	859	251,048
Closing equity 31 December 2023	14,963	880,690	977	-521,153	375,477

Condensed Consolidated Statement of Cash Flow

Amounts in SEK thousands	Q4		Jan-Dec	
	2023	2022	2023	2022
Cash flow from operating activities				
Earnings before interest and taxes	-40,086	-42,485	-137,360	-133,905
<i>Adjustment for non-cash items</i>				
Depreciation and amortization	5,431	5,026	20,567	15,550
Other non-cash items	415	457	1,049	1,831
Interest paid	-	-8	-92	-23
Interest received	630	-	999	-
Income tax paid	-134	-107	-331	-240
Cash flow from operating activities before change in working capital	-33,744	-37,117	-115,168	-116,787
Cash flow from change in working capital				
Increase/decrease in inventories	483	-3,583	1,312	-5,496
Increase/decrease in trade receivables	-242	-545	-4,359	1,862
Increase/decrease in operating receivables	-1,692	5,604	-590	6,583
Increase/decrease in trade payables	1,494	3,021	-2,172	1,388
Increase/decrease in accounts payables	4,544	3,184	7,069	-24,328
Total change in working capital	4,587	7,681	1,260	-19,991
Cash flow from operating activities	-29,157	-29,436	-113,908	-136,778
Cash flow from investing activities				
Investments in tangible assets	-256	-80	-950	-979
Investments in intangible assets	-1,896	-1,144	-6,871	-4,129
Investments in participations in group companies	-	-	-	131
Cash flow from (-used in) investing activities	-2,152	-1,224	-7,821	-4,977
Cash flow from financing activities				
Payments made for repayment of lease liabilities	-937	-935	-3,678	-2,380
New share issue, net of transaction expenses	113,236	-	250,189	94,744
Cash flow from financing activities	112,299	-935	246,511	92,364
Decrease/increase in cash and cash equivalents	80,990	-31,595	124,782	-49,391
Cash and cash equivalents at beginning of period	69,735	58,389	26,035	74,872
Exchange difference in cash and cash equivalents	284	-759	192	554
Cash and cash equivalents at end of period	151,009	26,035	151,009	26,035

Parent company Income Statement

Amounts in SEK thousands	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	11,913	5,422	38,919	13,643
Cost of goods sold	-5,349	-3,194	-18,220	-8,564
Gross profit (loss)	6,564	2,228	20,699	5,079
Development expenditure	-3,485	-4,625	-13,199	-14,906
Selling expenses	-47,362	-36,507	-72,408	-64,313
Administrative expenses	-8,878	-7,479	-39,837	-25,007
Other operating income	4,859	3,007	15,298	16,043
Other operating expenses	-11,468	-6,616	-18,557	-12,073
Earnings before interest and taxes	-59,770	-49,992	-108,004	-95,177
Financial income	2,378	1,598	7,328	1,598
Financial expenses	-120,097	1	-120,125	-2
Financial items - net	-117,719	1,599	-112,797	1,596
Profit (loss) after financial items	-177,489	-48,393	-220,801	-93,581
Profit (-loss) for the period	-177,489	-48,393	-220,801	-93,581

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

Of a total of TSEK 120,125 reported financial costs for 2023, TSEK 45,918 is related to the write-down of RMI shares in the parent company and TSEK 74,179 is related to the write-down of the parent company's claim against RMI.

Parent Company Balance Sheet

Amounts in SEK thousands	31 December	
	2023	2022
ASSETS		
Non-current assets		
Intangible fixed assets	25,854	20,914
Property plant and equipment	1,416	1,457
Financial assets	137,139	246,194
Total non-current assets	164,409	268,565
Current assets		
Inventories	17,381	13,663
Trade receivables and other receivables	5,367	5,856
Receivables from Group companies	8,606	2,560
Prepaid expenses and accrued income	2,345	1,987
Cash and bank balances	147,853	20,434
Total current assets	181,552	44,500
TOTAL ASSETS	345,961	313,065
EQUITY AND LIABILITIES		
Equity		
Restricted equity	43,986	33,351
Non-restricted equity	253,858	234,367
Total equity	297,844	267,718
LIABILITIES		
Non-current liabilities		
Provisions	3,750	2,886
Total non-current liabilities	3,750	2,886
Current liabilities		
Trade payables	4,658	5,820
Liabilities to Group companies	28,685	29,617
Other current liabilities	2,490	2,239
Accrued expenses	8,534	4,785
Total current liabilities	44,367	42,461
TOTAL EQUITY AND LIABILITIES	345,961	313,065

Notes on the consolidated accounts

Not 1. Accounting policies

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

Not 2. Division of net Sales

Amounts in SEK thousands	Q4		Jan-Dec	
	2023	2022	2023	2022
Devices/Other	4,202	1,603	16,228	6,686
- there of royalties	90	124	1,336	272
Disposables	6,647	2,947	19,526	7,348
Total	10,850	4,550	35,754	14,034

Not 3. Costs of goods sold

Amounts in SEK thousands	Q4		Jan-Dec	
	2023	2022	2023	2022
Cost of materials	2,282	906	8,450	3,862
Personnel expenses	350	274	1,030	672
External services	443	285	1,032	537
Depreciation and amortization	4,482	4,180	16,903	13,358
Total	7,557	5,645	27,415	18,429

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

Amounts in SEK thousands	Q4		Jan-Dec	
	2023	2022	2023	2022
Personnel expenses	21,591	23,481	84,682	72,905
Consulting expenses	7,888	6,283	28,873	22,285
Depreciation and amortization	215	430	635	689
Other expenses	7,236	7,896	27,961	37,969
Total	36,930	38,090	142,152	133,848

Not 5. Transactions with related parties

During the period, two board members invoiced TSEK 2,732 (1,867) on market terms, for performed consulting services linked to the company's operational activities.

The services are mainly performed by Sorin Brull TSEK 1,311 (1,224) and Jenny Freeman TSEK 1,421 (643).

NOT 6. Earnings per share

SEK	Q4		Jan-Dec	
	2023	2022	2023	2022
Basic earnings per share	-0.33	-0.61	-1.45	-1.99
Diluted earnings per share	-0.33	-0.61	-1.45	-1.99
Performance measure used in the calculation of earnings per share				
Results attributable to the parent company's shareholders are used	Profit (-loss) for the period			
Result attributable to the parent company's shareholders, SEK thousand	-38,808	-42,886	-134,149	-132,700
No.				
Weighted average no. of ordinary shares for calculating basic earnings per share	119,054,863	69,883,985	92,269,497	66,627,234
Stock options				
Weighted average no. of ordinary shares and potential shares used as denominator for calculating diluted earnings per share	119,054,863	69,883,985	92,269,497	66,627,234

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

Share capital history

Date	Event	Number of shares	Share capital (SEK)	Quotient value (SEK)
Jan 1, 2023	Opening	69,883,985	8,735,498	0.125
March 11, 2023	New right share issue	12,682,675	1,585,334	0.125
July 5, 2023	Set-off share issue RMI part 2	5,055,954	631,994	0.125
August 24, 2023	New directed share issue	12,500,000	1,562,500	0.125
September 25, 2023	New directed share issue	18,000,000	2,250,000	0.125
November 7, 2023	Set-off share issue RMI part 3	1,583,064	197,833	0.125
Total December 31, 2023		119,705,678	14,963,210	0.125

The board of Senzime decided, due to the Transaction, and with the support of the issue authorization from the general meeting on 16 May 2023, on 7 November 2023 on a directed new issue of a maximum of 1,583,064 shares at a subscription price of SEK 18.59 per share. The subscription price per share corresponded to the volume-weighted price (VWAP) for the twenty trading days up to and including May 31, 2022. Eligible for subscription were the sellers of Respiratory Motion who met the conditions for obtaining shares on August 31, 2023. Payment for the shares was made by offsetting against the sellers' shares in the Initial Fee. The reason for the deviation from the shareholders' preferential right was to complete the Transaction in accordance with the agreements entered into.

The board decided on September 25, 2023, with the support of authorization from the general meeting on May 16, 2023, to carry out a directed new issue of shares to a limited number of new and existing investors, including the newly added shareholders Segulah Medical Acceleration and Carnegie Fonder. The existing shareholders who participated in the Issue were Fredrik Rapp, the Fourth AP-fonden, the Crafoord Foundation, Handelsbanken Fonder and Swedbank Robur, all of whom expressed a long-term commitment to the company. The issue was conditional on subsequent approval from the general meeting on October 19, 2023. The extra general meeting approved the directed share issue.

Not 7. Alternative performance measures

Senzime has defined the following alternative measures.

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

	Q4		Jan-Dec	
	2023	2022	2023	2022
A Net sales, TSEK	10,850	4,550	35,754	14,034
B Gross profit excl. amortization, TSEK	7,679	2,971	24,947	8,707
B/A Gross margin excl. amortization (%)	70.8%	65.3%	69.8%	62.0%

	Q4		Jan-Dec	
	2023	2022	2023	2022
Amounts in SEK thousands				
A Earnings before interest and taxes	-40,086	-42,485	-137,360	-133,905
B Depreciation and amortization	5,431	5,025	20,567	15,550
B EBITDA	-34,655	-37,460	-116,793	-118,355

	Q4		Jan-Dec	
	2023	2022	2023	2022
Amounts in SEK thousands				
A Equity	375,477	261,903	375,477	261,903
B TOTAL ASSETS	433,122	321,842	433,122	321,842
A/B Equity/assets ratio, (%)	86.7%	81.4%	86.7%	81.4%

Not 8. Employee stock option programs

Dilution from option programs

In total, the group's four employee option programs comprise 3,210,000 allocated options, which, when fully exercised, means a dilution of approx. 2.6 percent. This is provided that all options are exercised. During the period January-December 2023, 277,000 employee options have expired. A total of 420,000 employee options have so far expired and the remaining 2,790,000 employee options, if fully exercised, would mean a dilution of approximately 2.3 percent.

Staff stock option program 2023/2027

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

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

Of all 1,000,000 employee options, 995,000 options were awarded in October 2023.

Not 9. Contingent liabilities

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

The RMI acquisition includes a conditional purchase price amounting to USD 25 million, which is paid in case certain milestones for RMI are met during the calendar year 2023. The RMI milestones are not met in calendar year 2023 and the contingent consideration will not be paid.

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

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

Calendar 2024

Annual Report 2023:	April 24, 2024
Interim Report Q1 2024:	May 7, 2024
AGM 2024:	May 16, 2024
Interim Report Q2 2024:	August 26, 2024
Interim Report Q3 2024:	November 6, 2024

Contacts

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

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

Address

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

