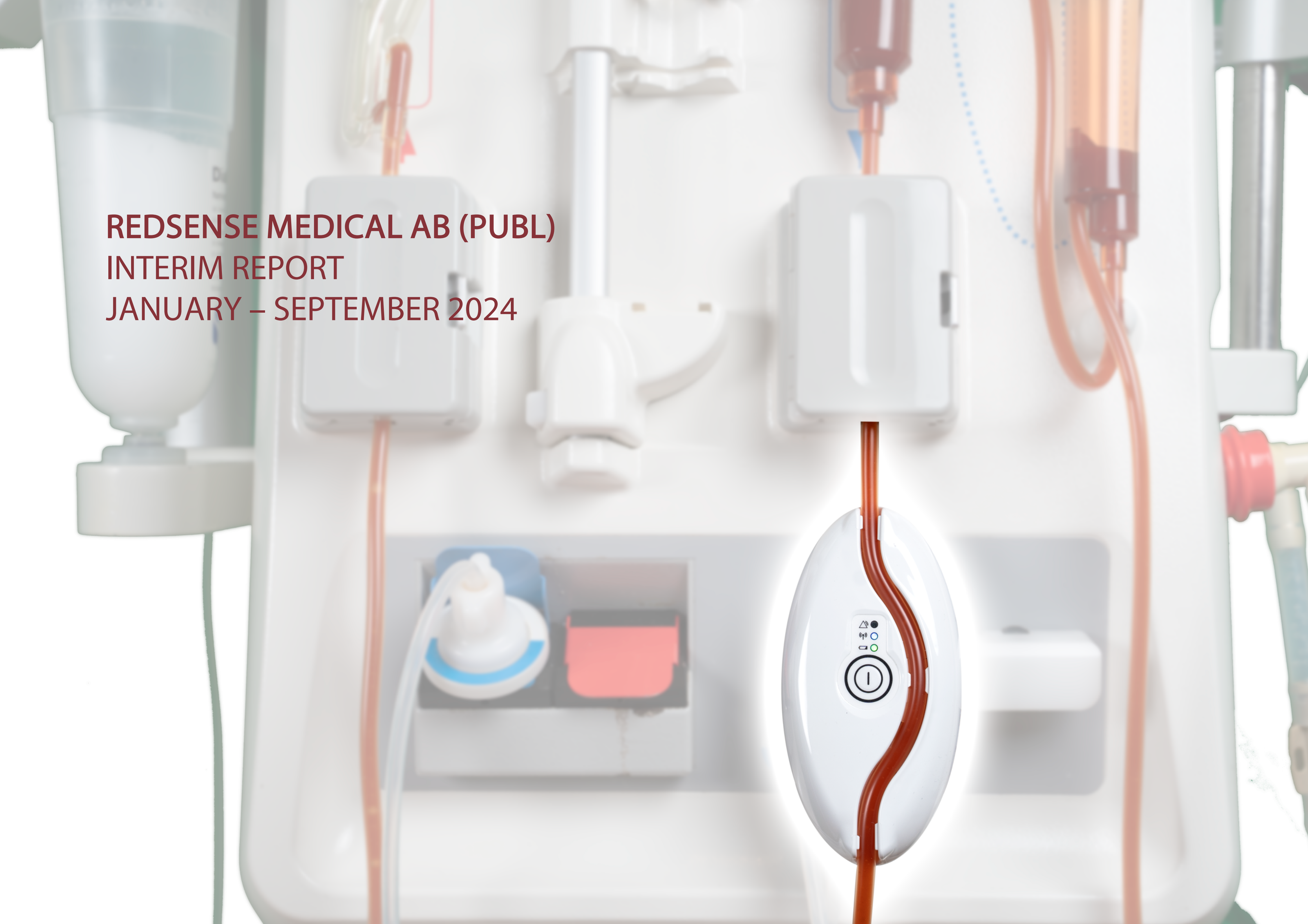


REDSENSE MEDICAL AB (PUBL)

INTERIM REPORT

JANUARY – SEPTEMBER 2024

5,030
NET SALES
kSEK

58%
GROSS MARGIN

16,068
CASH
kSEK

-3,273
EBIT
kSEK

88 %
SOLIDITY

July – September 2024

- Net sales amounted to kSEK 5,030 (5,287).
- Operating loss, EBIT amounted to kSEK -3,273 (-959).
- Result after tax amounted to kSEK -3,271 (-1,008).
- Earnings per share were SEK -1.99 (-0.07).
- Other operating income/loss kSEK -1358 (260).

Significant events during the period

- On July 15, Redsense announced that ShapeQ GmbH after the second directed issue has passed the 25% threshold.
- On Sept 16, Redsense announced that chairman of the board resigns, and a new acting chairman is appointed.
- On Sept 21, Redsense announced that a board member resigns.
- On Sept 24, Redsense announced that a new CEO is appointed.

Significant events after the period

- On October 24, Redsense announced that it will not renew its agreement with OTC Markets Group, resulting in the cessation of trading on the OTCQX platform in the USA.

Reflecting on progress and embracing growth at Redsense

The past months have been eventful for Redsense Medical. I am proud to have been given the opportunity to lead Redsense Medical as the new CEO and to work with our talented team and valued partners to elevate our company to new heights. We continue to focus on driving the company forward through both operational improvements and strategic initiatives. We are focused on optimizing internal processes and ensuring that we have the right team and structure in place to support both immediate and long-term growth, and we see great potential for the future.

Consistent sales growth and strengthened collaboration with U.S. distribution partners

During the quarter we saw a continued positive development in our sales figures. While order patterns and volumes to distribution partners have historically been unpredictable, often fluctuating significantly between periods, sales to end customers have demonstrated greater consistency and are on an upward trend.

In response to this variability we have prioritized improving coordination and communication with our U.S. distribution partners. This has led to the development of a quarterly review and ordering process, first put to the test in June and September, to help create a smoother and more consistent order flow. We are working closely with them to align more effectively on sales and inventory levels, with the goal of streamlining production and logistics planning, resulting in optimized operations and cash flow management.

This initiative has resulted in steady replenishment orders following the first reviews, paving the way for more consistent results moving forward. A portion of the September order, however, was delivered in the first week of October, just after the close of Q3. If this delivery had been included in Q3, we would have seen year-on-year sales growth for the quarter. Including this partial delivery, the net sales for Q4 to date exceed 6M SEK. With another replenishment scheduled for early December, we are confident in achieving a strong Q4 and a solid year-end in 2024.

CE-marking the Clamp

We are excited to have reached the target number of treatments for the Clamp usability study. Our next steps involve analyzing the final data and applying for regulatory approval, with the first sales of the Redsense Clamp anticipated in Q1 2025.

Paired with our Redsense alarm, the Clamp operates independently of specific dialysis machine manufacturers or machine age, to stop the blood flow upon an alarm. This makes it more versatile and accessible across a broader range of customer environments. This combination thus provides a compelling solution to enhance patient safety and we believe it presents a substantial growth opportunity by attracting new customers and opening new markets.

Update on U.S. reimbursement efforts

Redsense has been actively advocating for the Home Dialysis Risk Prevention Act which was introduced in the U.S. House of Representatives to address critical safety concerns in home hemodialysis. At this point the bill has not gained the traction we anticipated, despite our efforts including a congressional briefing and engaging with the House Committee on Ways and Means. However, with the election now behind us, there is potential to re-submit this bill in the coming term.

While we continue to support this legislative path, we are also exploring alternative avenues to achieve reimbursement. This includes working with local intermediaries and securing HCPCS (Healthcare Common Procedure Coding System) codes to secure reimbursement by insurance providers. This will greatly enhance the accessibility of Redsense solutions for home hemodialysis patients and support alignment with U.S. healthcare stakeholders in prioritizing patient safety.

A new direction forward

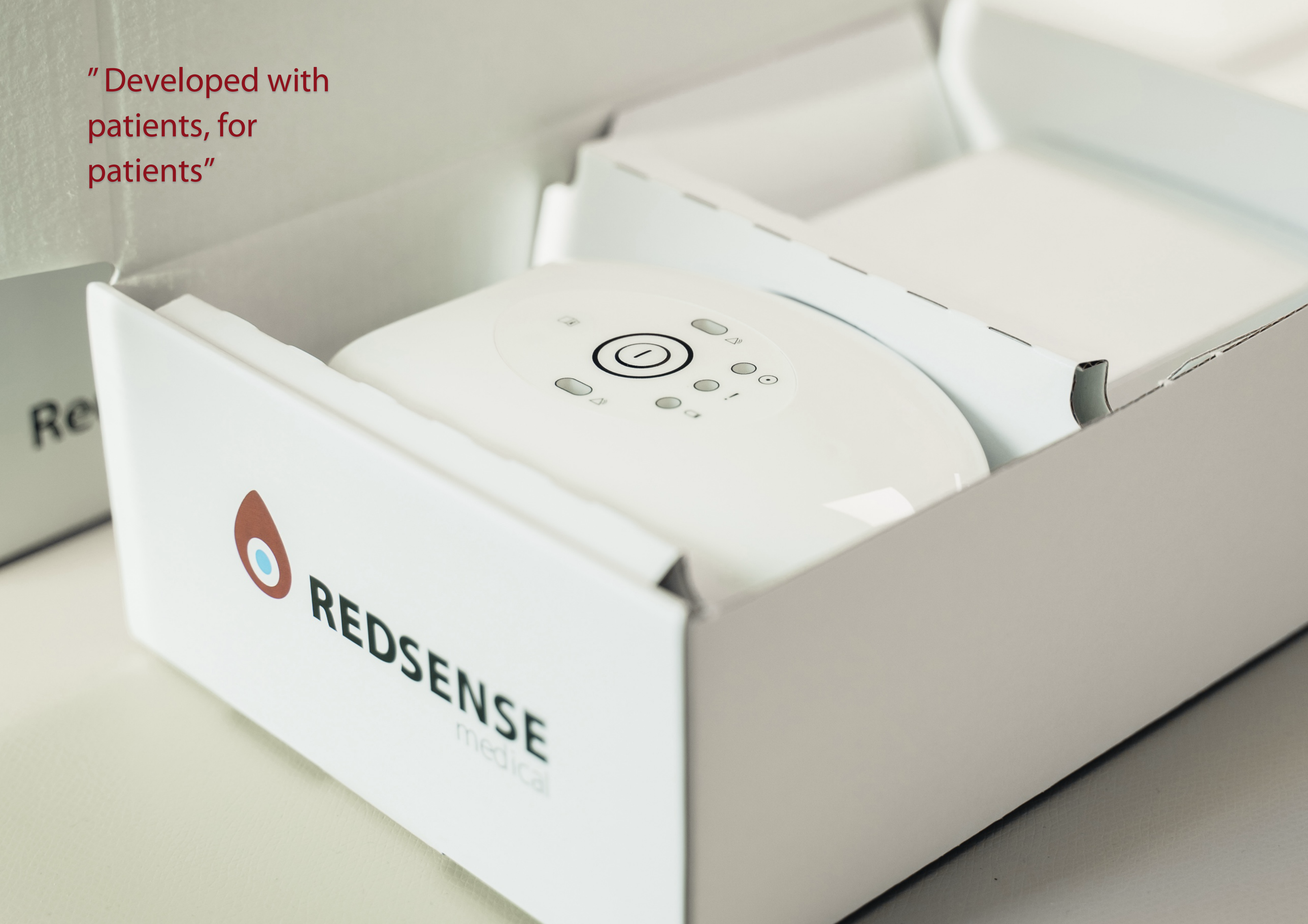
As we look ahead, I am both optimistic and motivated by the growth opportunities. Our focus remains on building a strong foundation to sustain long-term growth, with an emphasis on transparency and providing clearer insights as we move forward. Expanding into new markets and reinforcing our presence in established ones are key goals, and we will continue to invest in our products, our people, and the strategic partnerships that can elevate our business to new heights.

I am looking forward to lead Redsense Medical as we strive to realize these ambitions. Supported by a dedicated, skilled team and an engaged group of shareholders, we are well-positioned to drive the company toward sustained growth and profitability. After eight years with Redsense, it is a personal honor to continue the legacy of my late colleague and friend, Patrik Byhmer, as we pursue our shared vision.

Thank you to all our shareholders, distributors, customers, and not the least the team for your trust and support. Together, we look forward to a bright and successful future for Redsense Medical.

Sebastien Bollue, CEO Redsense Medical

" Developed with patients, for patients"



This is Redsense Medical

Redsense Medical AB is a medical device innovator established in 2006. Redsense's mission is to improve the safety of and quality of life for dialysis patients worldwide. Redsense has its main market in the US, and in addition distribution partners in Europe and Canada. The corporate headquarter is in Halmstad, Sweden, and for the US sales and marketing operations, Redsense has a US subsidiary. The company has developed the Redsense System, an innovation used for monitoring and alarming in the case of blood leakage during hemodialysis treatment. Redsense Medical solves one of the most serious remaining safety problems within hemodialysis – to quickly detect Venous Needle Dislodgement and catheter leakage to minimize blood leakage.

Chronic kidney diseases a growing global challenge

Globally, the number of people with end-stage renal diseases is increasing steadily, and the most common treatment option is chronic dialysis. The number of patients undergoing dialysis several times per week is approaching four million worldwide. The projected growth rate is six percent annually, driven by an ageing population and other factors.

The most common type of dialysis is hemodialysis, and close to 3.5 million people globally are treated weekly with this modality. Today, most of these treatments are performed in clinical settings, but home treatment is gaining popularity thanks to improved clinical outcome, lower cost, increased convenience, and higher quality of life for the patient. This is supported by both political initiatives and promotions from the major dialysis providers.

Blood leakage during hemodialysis is a remaining safety problem

Hemodialysis is a well-established treatment method, and it is estimated that more than 500 million treatments are performed annually. However, there are still risks involved and Venous Needle Dislodgement (VND) is a potentially life-threatening complication that can happen to any dialysis patient at any time. VND is estimated to cause three avoidable deaths every day worldwide during hemodialysis.

The Redsense solution saves lives

To combat the risk factors involved with hemodialysis, Redsense developed the Redsense System, an innovation used for monitoring hemodialysis treatment and alarming in the event of blood leakage. The system consists of a patented fiber optic sensor which is embedded in a disposable patch designed for either a venous needle or central venous catheter. This sensor is connected to an alarm unit that is triggered when the sensor comes into contact with blood so the issue can be addressed immediately and the blood flow stopped. Redsense System provides patients, nurses, and caregivers an extra pair of eyes. In essence, Redsense Systems is always alert, focused on one thing only and never looking away.

Well established among US dialysis providers

From the very start, development of the company's technology has been based on the demands and safety requirements of healthcare providers in the dialysis sector. The system is the only blood leakage system on the market that is both CE marked and FDA cleared. Redsense is proud to count the five largest dialysis providers and three in the top five best nephrology hospitals in the US among users of the Redsense system. The US department of Veteran Affairs even mandates the use of Redsense System for hemodialysis treatments.

Redsense products are used in both clinics and at home, daily and nocturnally. In recent years, more than million treatments have been carried out with the Redsense System worldwide.

Innovation to further improve patient safety

Redsense has developed the Clamp, an accessory to the alarm unit enabling automatic stop of the flow in the blood line in case of an incident, regardless of the type of dialysis machine. The Redsense Clamp is in the final stages of clinical validation to obtain a CE mark before being launched in Canada, Australia, and Europe. With regard the US market, necessary activities are ongoing to prepare for a 510(k) submission.

Net sales and results

The group's net sales in the third quarter 2024 were kSEK 5,030 (5,287). The US was the largest market with 99 percent (98) of net sales. The gross profit for the group for the third quarter amounted to kSEK 2,921 (2,944).

Other external expenses for the quarter amounted to kSEK 2,164 (1,914) and the personnel cost of 2,655 (2,245). The other operating cost is mainly due to exchange loss on assets and transactions when the USD has been volatile between 10.83 to 10.10.

Financial position

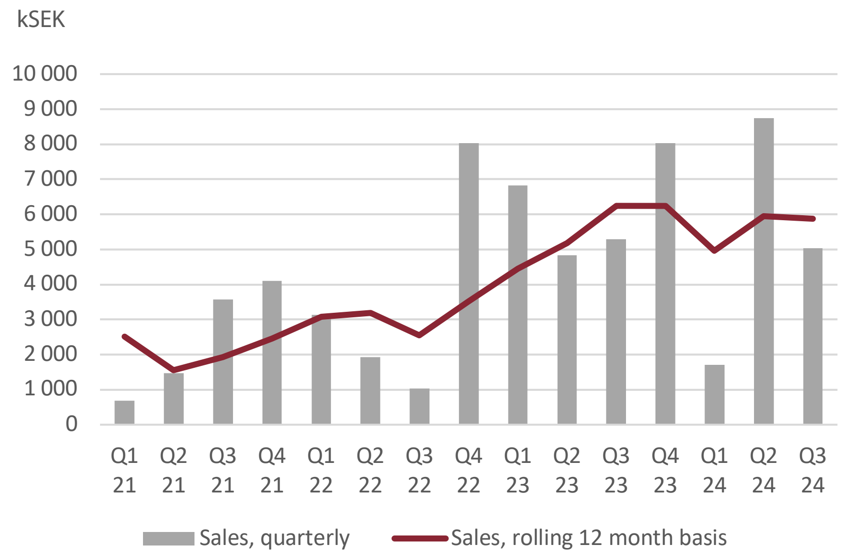
On June 30, the group's cash and cash equivalents amounted to kSEK 16,068 (6,966). The increase in capital is due to a direct issue. As of June 30, the company credit facility of kSEK 1,000 remains unused.

The group has increased the stock level to kSEK 5,252 (1,355) to meet the increasing demand of our products.

Financial overview

	Third quarter		Nine-month period	
kSEK	**Q3 2024**	**Q3 2023**	**Jan-Sep 2024**	**Jan-Sep 2023**
Net sales	5,030	5,287	15,490	16,942
Net sales, change	-5%	417%	-9%	179%
Gross profit	2,921	2,944	9,421	8,407
Gross margin	58%	56%	61%	50%
Operating profit (EBIT)	-3,273	-959	-5,316	-4,108
Earnings per share	-1.99	-0.07	-3.21	-0.25
Cash flow from operating activities	464	-2,727	-7,517	-3,049
Solidity	88%	83%	88%	83%

Breakdown of net sales per quarter



Parent company

The Group's parent company, Redsense Medical AB (publ), has one wholly owned subsidiary in the US.

Risk and uncertainties

As an international Group, Redsense is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that economic development in the markets and segments where the Group operates could become unstable. There are also financial risks, such as currency risk, interest risk and credit risk.

No major changes in significant risks or uncertainty factors have occurred during the period, regarding geopolitical or other events. Other risks are unchanged compared to the descriptions of Redsense's risks, uncertainty factors and the handling of these in the company's Annual Report for 2023.

Related-parties transactions

Transaction have taken place during this period between subsidiaries, and remuneration was paid to senior executives and board members in the Group and the Parent Company.

Human recourses

The Group had 5 (5) employees (full time-equivalents) on September 30.

Audit review

This report has not been reviewed by the company's auditors.

General information

Information in this report refers to the group, unless otherwise stated. Figures in parentheses indicate the outcome for the corresponding period in the previous year, apart from balance sheet items, where figures in parentheses refers to December 31 of the previous year. Amounts are given in kSEK unless otherwise stated. The amounts may not add up in some cases due to rounding's from SEK to kSEK.

Calendar

Year-end report Q4, January - December 2024	Feb 26, 2024
Interim report Q1, January – March 2025	May 14, 2025
Annual General meeting in Halmstad	May 14, 2025

All financial reports are published at www.redsensemedical.com

Declaration by the board of directors and CEO

The Board and Directors and the CEO certify that this interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results, and describes significant risk and uncertainties the Parent Company and the Group are exposed to.

Halmstad, November 26, 2024
Redsense Medical AB (publ)
The board of Directors and CEO

For further information

Sebastien Bollue, CEO
+46-72 171 12 64
sebastien.bollue@redsensemedical.com

Redsense Medical AB (publ), 556646-4862
Box 7088
SE-300 07 Halmstad, Sweden
+46-35 10 60 30
info@redsensemedical.com

This information is information that Redsense Medical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person specified above, on November 26, 2024, at 08:30 CET.

THE SHARE

The Redsense Medical share is listed on Spotlight Stock Market under the ticker REDS. As of September 30, 2024, the company's market capitalization was mSEK 121.

Since September 29, 2023, the share is also cross-traded on OTCQX, a trading platform in the United States operated by OTC Markets Group for securities not listed on a U.S. stock exchange. On October 24, 2024, Redsense announced the company will not renew its agreement with OTC Markets Group after current term, which ends on December 31, 2024. This does not affect the company's listing on Spotlight Stock Market.

The share was originally listed on Aktietorget (today known as Spotlight Stock Market) on June 5, 2015, relisted on the Nasdaq First North Stockholm on October 2, 2017, before being relisted on Spotlight Stock Market on May 3, 2019.

The IPO share price of Redsense Medical in 2015 was SEK 5 per share. On the last day of trading, September 2024, the closing share price was SEK 7.34. Thus, the total shareholder return since the IPO is 47 percent.

SHARE TURNOVER

In total, 342 thousand shares were traded in the third quarter, for a value of mSEK 2.4.

SHARE CAPITAL

On September 30, 2024, the share capital of Redsense Medical amounted to SEK 1,644,489, divided into 16,444,891 shares, each with a quota value of SEK 0.10. All shares carry the same voting rights.

OWNERSHIP

At the end of the third quarter, the ten major owners represented 56 percent of the share capital and voting rights. The largest shareholder, PNO Asset Management GmBH (PNO) is another entity in the same group as ShapeQ, the beneficial owner is still the same. PNO has increased its ownership with purchases and directed issues.

THE TEN MAJOR OWNERS AS OF 2024-09-30

PNO Asset Management GmbH	26.15%
Seventh Sense Adventures Holding AB	10.15%
Avanza Pension	4.32%
Swedbank Robur Fonder	3.16%
Nordnet Pensionsförsäkring	2.57%
Futur Pension	2.80%
Aktia Assets Management	1.89%
Martin Olausson	1.85%
Andra AP-fonden	1.72%
Gunvald Berger	1.55%
Total	**56.16%**

CONSOLIDATED INCOME STATEMENT

kSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Net sales	5,030	5,287	15,490	16,942	24,967
Capitalized development work	0	11	594	443	552
Other operating income	0	260	2,140	371	39
Total operating income	**5,030**	**5,558**	**18,224**	**17,756**	**25,558**
Cost of goods sold	-2,109	-2,343	-6,069	-8,535	-12,361
Other external expenses	-2,163	-1,914	-7,752	-6,861	-8,850
Personnel costs	-2,655	-2,245	-7,776	-6,422	-8,693
Depreciation/Impairment	-17	-16	-49	-46	-62
Other operating cost	-1,358		-1,894		-629
Total operating costs	**-8,302**	**-6,518**	**-23,540**	**-21,864**	**-30,595**
OPERATING RESULT	**-3,272**	**-959**	**-5,316**	**-4,108**	**-5,037**
Net financial items	1	-48	29	547	524
Result from financial items	**-3,271**	**-1,008**	**-5,287**	**-3,561**	**-4,513**
PROFIT OR LOSS BEFORE TAX	**-3,271**	**-1,008**	**-5,287**	**-3,561**	**-4,513**
PROFIT OR LOSS FOR THE PERIOD	**-3,271**	**-1,008**	**-5,287**	**-3,561**	**-4,513**

Consolidated balance sheet

kSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development cost	13,499	12,796	12,905
Tangible assets			
Technical equipment and tools	323	371	355
Financial assets			
Total fixed assets	**13,822**	**13,167**	**13,260**
Current assets			
Inventory	5,252	2,501	1,355
Accounts receivable	4,122	5,256	2,967
Other short-term receivables	211	456	1,195
Prepayment and accrued income	415	424	761
Short-term deposits	0	0	0
Cash and cash equivalents	16,068	7,038	6,966
Total current assets	**26,068**	**15,676**	**13,245**
TOTAL ASSETS	**39,890**	**28,843**	**26,505**

kSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1,644	1,404	1,404
Restricted reserve	598	598	598
Development fund	13,560	12,856	12,965
Non-restricted equity			
Retained earnings	24,507	12,549	12,641
Profit or loss for the period	-5,287	-3,561	-4,513
Total equity	**35,022**	**23,847**	**23,095**
Liabilities			
Short-term liabilities			
Accounts payable	2,701	2,805	1,749
Other short-term liabilities	417	419	197
Accruals and deferred income	1,750	1,772	1,464
Total liabilities	**4,868**	**4,996**	**3,410**
TOTAL EQUITY AND LIABILITIES	**39,890**	**28,843**	**26,505**

CONSOLIDATED CASH FLOW

kSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Operating activities					
Profit or loss after financial items	-3,271	-1,008	-5,287	-3,561	-4,513
Adjustment for non-cash items	665	249	33	304	-1,518
Cash flow from operating activities before changes in working capital	**-2,606**	**-759**	**-5,254**	**-3,257**	**-6,032**
Cash flow from changes in working capital					
Increase (-) Decrease (+) in inventories	-1,602	-1,164	-3,896	-970	176
Increase (-) Decrease (+) in operating receivables	4,031	-1,617	175	-236	977
Increase (+) Decrease (-) in operating liabilities	641	813	1,458	1,414	-173
Cash flow from operating activities	**464**	**-2,727**	**-7,517**	**-3,049**	**-5,052**
Investing activities					
Acquisition of intangible fixed assets	0	-11	-594	-443	-551
Acquisition of tangible fixed assets	0	0	-17	-52	-52
Divestment of financial assets	0	0	0	6,909	8,949
Cash flow from investing activities	**0**	**-11**	**-611**	**6,415**	**8,346**
Financing activities					
Directed share issue	7,488	0	17,230	0	0
Cash flow from financing activities	**7,488**	**0**	**17,230**	**0**	**0**
Cash flow for the period	**7,952**	**-2,738**	**9,102**	**3,366**	**3,294**
Cash and cash equivalents, opening balance					
Cash and cash equivalents, opening balance	8,116	9,776	6,966	3,672	3,672
Cash and cash equivalents, closing balance	**16,068**	**7,038**	**16,068**	**7,038**	**6,966**

CONSOLIDATED CHANGE IN EQUITY

kSEK	Share capital	Contributed capital	Retained earnings	Total equity
Opening balance January 1, 2023	**1,404**	**123,631**	**-97,886**	**27,149**
Result for the period			-4,513	-4,513
Warrant issuance			0	0
Exchange rate differences and other adjustments			460	460
Closing balance December 31, 2023	**1,404**	**123,631**	**-101,940**	**23,095**

kSEK	Share capital	Contributed capital	Retained earnings	Total equity
Opening balance January 1, 2023	**1,404**	**123,631**	**-97,886**	**27,149**
Result for the period			-3,561	-3,561
Warrant issuance				0
Exchange rate differences and other adjustments			259	259
Closing balance September 30, 2023	**1,404**	**123,631**	**-101,189**	**23,846**

kSEK	Share capital	Contributed capital	Retained earnings	Total equity
Opening balance January 1, 2024	**1,404**	**123,631**	**-101,940**	**23,095**
Result for the period			-5,287	-5,287
Directed share issue and cost	240	16,989		17,230
Exchange rate differences and other adjustments			-16	-16
Closing balance September 30, 2024	**1,644**	**140,620**	**-107,243**	**35,022**

PARENT COMPANY'S INCOME STATEMENT

kSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Net sales	3,830	3,672	11,877	12,243	17,179
Capitalized development work	0	11	594	443	551
Other operating income	0	260	2,179	371	39
Total operating income	**3,830**	**3,943**	**14,650**	**13,056**	**17,770**
Cost of goods sold	-2,109	-2,318	-6,069	-8,435	-12,361
Other external expenses	-1,526	-1,328	-5,838	-4,897	-5,976
Personnel costs	-2,105	-1,533	-5,976	-4,602	-6,246
Depreciation/Impairment	-1,213	-1,213	-3,639	-3,636	-4,848
Other operating cost	-1,305		-1,840		-629
Total operating costs	**-8,258**	**-6,392**	**-23,362**	**-21,571**	**-30,060**
OPERATING RESULT	**-4,428**	**-2,449**	**-8,712**	**-8,515**	**-12,290**
Net financial items	1	-228	29	1,426	524
Result from financial items	**-4,427**	**-2,676**	**-8,683**	**-7,089**	**-11,767**
PROFIT OR LOSS BEFORE TAX	**-4,427**	**-2,676**	**-8,683**	**-7,089**	**-11,767**
PROFIT OR LOSS FOR THE PERIOD	**-4,427**	**-2,676**	**-8,683**	**-7,089**	**-11,767**

Parent company's balance sheet

kSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development cost	13,499	12,796	12,905
Patent	13,304	18,091	16,894
Tangible assets			
Technical equipment and tools	322	371	355
Financial assets			
Shares in subsidiaries	7	7	7
Receivables from group companies	0	0	0
Total fixed assets	**27,133**	**31,264**	**30,161**
Current assets			
Inventory	2,804	724	1,268
Advances to suppliers	2,448	1,777	87
Accounts receivable	35	129	93
Receivables from group companies	20,582	21,598	20,541
Other short-term receivables	154	456	438
Prepayment and accrued income	414	424	684
Short-term deposits	0	0	0
Cash and cash equivalents	11,610	5,026	1,911
Total current assets	**38,047**	**30,135**	**25,022**
TOTAL ASSETS	**65,180**	**61,399**	**55,183**

kSEK	2024-09-30	2023-09-30	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1,644	1,404	1,404
Restricted reserve	598	598	598
Development fund	13,559	12,856	12,965
Non-restricted equity			
Retained earnings	53,440	48,921	48,812
Profit or loss for the period	-8,683	-7,089	-11,767
Total equity	**60,559**	**56,691**	**52,013**
Liabilities			
Short-term liabilities			
Accounts payable	2,646	2,792	1,745
Other short-term liabilities	417	427	197
Accruals and deferred income	1,558	1,489	1,228
Total liabilities	**4,621**	**4,708**	**3,170**
TOTAL EQUITY AND LIABILITIES	**65,180**	**61,399**	**55,183**

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with the Swedish Annual Act and the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3). The accounting policies are the same as the previous year. For further information, please refer to the Annual Report for 2023, page 27.

NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets amounts to mSEK 1.5 as per September 30, 2024. There are no contingent liabilities in the Group.

NOTE 3 KEY RATIOS AND FINANCIAL METRICS

Definitions of the key ratios and financial metrics used in the Group's financial reporting.

Graphs of net sales

Redsense has chosen to report a graph of the net sales per quarter and on a rolling 12-month basis as corporate management also follows the development over time on a rolling 12-month basis and believes that this provides supplementary information to the calendar based interim data otherwise given in the report.

Operation profit/loss, operating margin, EBIT and EBIT margin

In this report Redsense uses the result measure EBIT, Earnings Before Interest and Taxes, as an alternative term for operating profit. EBIT margin is thus an alternative term for operating margin, calculated as net sales reduced by cost of goods sold and operating cost.

Gross Profit

Net sales less cost of goods sold.

Other operating income and other operating cost

Foreign exchange gains (other operating income) and losses (other operating cost). This includes both realized and unrealized exchange gains and losses.

Earnings per share

Net profit for the period divided by the average number of shares during the period.

Solidity

Equity divided by total assets.

REDSENSE MEDICAL AB (PUBL)
Corp. ID No. 556646-4862

PO Box 7088
SE-300 07 Halmstad, Sweden
Telephone: +46 35 10 60 30
Email: info@redsensemedical.com
www.redsensemedical.com