SPAGO NANOMEDICAL AB

Interim report

January- March 2024

Positive start to an important year

JANUARY – MARCH IN BRIEF

- Net sales for the quarter amounted to KSEK 350 (KSEK 88)
- The loss for the quarter amounted to KSEK –7.763 (KSEK -15.573)
- Operating expenses for the quarter amounted to KSEK -9.497 (KSEK -17.168)
- Earnings per share, before and after dilution, for the quarter amounted to SEK -0.03 (SEK -0.17)
- Cash and cash equivalents at the end of the quarter amounted to KSEK 32,250 (KSEK 45,106)

SIGNIFICANT EVENTS DURING THE QUARTER

- Nothing to report

SIGNIFICANT EVENTS AFTER THE QUARTER

- Spago Nanomedical strengthens management by the appointment of Birgitta Rembratt Svensson as Head of CMC & Supply. Birgitta, an experienced CMC project manager with several leading positions at development and commercial stage pharmaceutical companies, will join Spago Nanomedical on June 1 and serve as a member of the management team.
- ^{177}Lu-SN201 demonstrates significant anti-tumor effect in a non-clinical triple-negative breast cancer model compared to several cancer drugs[1] with a low and acceptable level of radiotoxicity observed.

[1] anti PD-1 and anti-CTLA-4 (immune checkpoint inhibitors), Niraparib (PARP-inhibitor), Paclitaxel (taxanes), and Carboplatin (platinum-based chemotherapy)

SPAGO NANOMEDICAL IN BRIEF

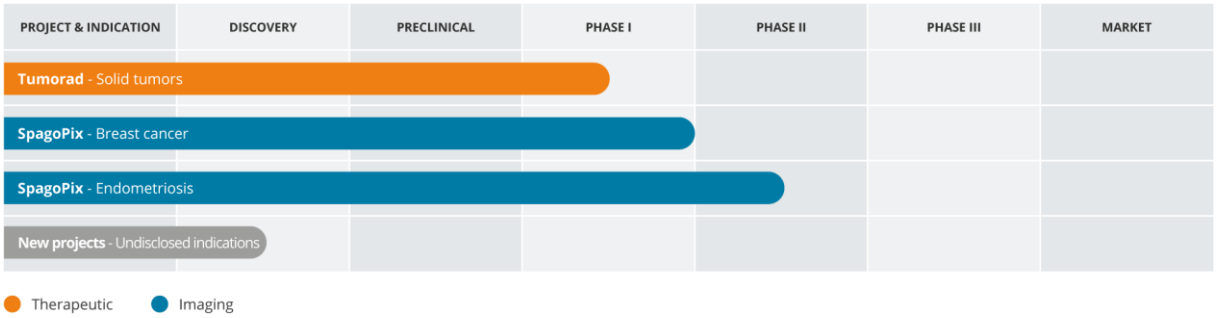
Spago Nanomedical AB (publ) is a Swedish clinical phase company, developing products for treatment and diagnostics of cancer and other severe diseases. Spago Nanomedical´s share is listed on Nasdaq First North Growth Market (ticker: SPAGO).

The company intends to develop pharmaceuticals and imaging diagnostic products for diseases with a high medical need under its own auspices until clinical proof-of-concept. Subsequent development and future commercialization are intended to take place through strategic license or partnership agreements with established pharmaceutical companies with the necessary capacity and global reach in each project area.

The company's operations are based on a patented material for the design of functional nanoparticles that accumulate physiologically in tumors, thus enabling higher precision in image diagnostics and treatment of cancer and other severe diseases. With the development programs Tumorad and SpagoPix, Spago Nanomedical aims to improve the conditions for effective healthcare for large groups of patients while meeting the need for stronger positioning and renewal of product portfolios of commercial pharmaceutical companies.

*The **Tumorad**® development program aims to develop new pharmaceuticals for radionuclide therapy against aggressive cancer. Preclinical results show that the candidate drug in the program, ^{177}Lu-SN201, accumulates in tumors, delays growth and prolongs survival at clinical useful doses. This opens up for wide use of ^{177}Lu-SN201 for the treatment of various cancers where there are currently no opportunities for clinically effective treatment with radiopharmaceuticals, such as ovarian cancer and triple-negative breast cancer. A phase I/IIa clinical study in patients with advanced cancer is ongoing to evaluate safety, tolerability, biodistribution and initial efficacy of ^{177}Lu-SN20. See further under "Program - Tumorad".*

*The **SpagoPix** development program aims to improve the precision of MRI scans for suspected endometriosis and cancer by launching a selective contrast agent for more precise visualization of tumors and other lesions. Initial clinical results show that the product candidate within the program, pefgosimer manganese (formerly SN132D), provides clinically relevant contrast in breast cancer tumors, in the liver and in the pancreas, while maintaining good safety. Contrast enhancement has also been observed in endometriosis lesions in a clinical phase IIa clinical study. See further under "Program - SpagoPix".*



CEO STATEMENT

2024 has begun in the same positive spirit as we ended last year. The phase I/IIa study Tumorad-01 with the candidate drug ^{177}Lu-SN201 is progressing according to plan with a continued satisfactory safety profile. New and promising non-clinical effect data in a triple-negative breast cancer model further strengthens our belief in Tumorad in the treatment of several different types of cancer. As we take Tumorad further into the clinic, we have also strengthened the management team with an experienced Head of CMC & Supply.

Our ongoing phase I/IIa clinical study Tumorad-01 is a first-in-human study with the primary aim of evaluating safety, tolerability, dosimetry and initial effect of ^{177}Lu-SN201 in cancer patients with the aim of identifying a possible therapeutic dose for further studies. In January, we announced that the first patient was successfully treated with the initial dose and the study has since continued as planned.

The phase I part of the study aims to, based on safety and biodistribution, identify a possible therapeutic dose for further testing in selected patient groups in the phase IIa part. Based on preclinical results, we assess that there is a good chance of a favorable benefit-risk profile in humans. Using different methods to measure radioactivity in the body, even at low doses, we expect to be able to get an early idea of the possibilities for therapeutic usefulness in cancer patients. Patient recruitment continues and our ambition is to further update the market regarding the study before mid-year.

In parallel with the clinical study, an extensive non-clinical program is also underway to explore Tumorad as both a monotherapy and combination therapy in triple-negative breast cancer, a very aggressive and difficult-to-treat form of cancer in which the tumor cells often have resistance to chemotherapy even before the chemotherapy treatment has begun and which makes up approximately 15 percent of all breast cancer cases. It was therefore very gratifying that in April, after the end of the period, we were able to report favorable data from the initial non-clinical study with ^{177}Lu-SN201 as monotherapy showing superior tumor inhibitory effect compared to drugs used in standard treatment with only a low and acceptable level of radiotoxicity being observed. The findings we have seen in this model are very promising and support continued non-clinical development, with evaluation of combination therapy as the next step.

The interest in the radiopharma area continues to be high among pharmaceutical companies and specialist investors with several completed transactions of significant size. In March, AstraZeneca strengthened its radiopharma portfolio with the acquisition of the US based Fusion Pharmaceuticals, a transaction worth up to $2.4 billion. Another current example is Bristol Myers Squibb which, at the end of last year, acquired RayzeBio and its radiopharma platform for around USD 4.1 billion.

We also see continued interest in our second development program, SpagoPix, and especially in endometriosis where at the end of last year we reported positive topline data from the phase IIa clinical study SPAGOPIX-02 with the contrast agent pegfosimer manganese. The study was an open-label proof-of-concept study with the primary objective of evaluating contrast enhancement in patients with endometriosis. Analysis of study data showed that contrast enhancement could be observed in the majority of lesions confirmed by ultrasound, and thus the primary efficacy objective had been met. The results show the potential of pegfosim manganese in medical imaging of endometriosis lesions and enable further evaluation in the next step.

The increasing interest in women's health in general, and endometriosis specifically, was clearly evident during the annual J.P. The Morgan Health Care conference in January that we attended in order to create new contacts. We participated in several productive meetings with possible future partners.

Given the progress within both of our development programs, we have seen a need to strengthen the company's organization and I am very pleased with the recruitment of Birgitta Rembratt Svensson as the new Head of CMC & Supply. Birgitta is an experienced CMC project manager with senior positions at pharmaceutical companies in the commercial phase, and will join Spago Nanomedical's management team in June. Procurement, planning and execution of production and distribution will become increasingly important to supply our clinical studies with drugs and, in the longer term, prepare for commercial scale. The recruitment to this key position is thus an important part in building a strong team with a focus on later development phases and commercialization.

2024 will be a very important year for Spago Nanomedical with the greatest focus on the clinical study with our leading program Tumorad. I look forward to continuing to update you on our progress and upcoming milestones**.**

Mats Hansen, CEO Spago Nanomedical AB

" The interest in the radiopharma area continues to be high among pharmaceutical companies and specialist investors with several completed transactions of significant size."

PROGRAM - TUMORAD

BACKGROUND

Radiation therapy has long been used effectively in the fight against cancer. Along with surgery and chemotherapy, radiotherapy is a cornerstone in the treatment of several cancers. The development and approvals of new generations of radioactive drugs for internal radiotherapy, known as radionuclide therapy (RNT), has led to a renaissance in the field. Radionuclide therapy has received increased attention in recent years, in line with clinical and commercial advances and a number of major deals completed in the field. In Tumorad, nanoparticles for physiological accumulation in tumors are loaded with clinically effective radioactive isotopes, which can open for effective internal radiation therapy of aggressive and spread cancer with high precision. Tumorad may therefore provide the opportunity to treat cancer that cannot be treated with other types of radioactive drugs.

Despite important advances and new therapies, long-term survival is however still unsatisfactory in many cases, especially in the treatment of spread (metastatic) cancer. Treatment resistance is a significant challenge in cancer care, and there is therefore a clear clinical need for new treatment options. Radioactive treatment is effective against cancer and has long been an established cornerstone in the treatment of many forms of cancer. Unlike the radionuclide therapies that are currently used clinically and which target specific cancers, Tumorad is designed for physiological and selective accumulation in tumors and other lesions via the well documented "Enhanced Permeability and Retention (EPR) effect"[2]. The mechanism of action gives Tumorad the opportunity to treat different types of solid tumors and can thus be considered to have a significant market value.

MARKET

Interest in RNT is very high and is shown not least by several of deals in recent years where large pharmaceutical companies have acquired or invested billions in RNT projects. Today there are just over a handful of approved RNT products and the market is expected to grow rapidly in steps with further market approvals, increased subsides, and a remaining large medical need. Tumorad is expected to be used both as a complement to surgery, chemotherapy, and immunotherapies, as well as first treatment options. This opens up opportunities for optimized development and for broad use in the market. Based on mortality data in a number of major cancer indications (colorectal, gastric, breast, pancreatic, and ovarian cancer) which based on clinical science can be expected to be candidates for treatment with ^{177}Lu-SN201 (indications with documented EPR effect), as well as prices of comparable existing pharmaceuticals, the company estimates the annual addressable market for Tumorad to billions.

STATUS

As the core of the Tumorad particles is based on the same platform as the nanoparticles used for SpagoPix, there are significant synergies between the programs with regards to the material's structure and production. SpagoPix has shown in the clinical studies SPAGOPIX-01 and SPAGOPIX-02 that the material is safe to give to patients and that the mechanism for selective accumulation of the nanoparticles in tumors via the EPR effect works. Furthermore, the radioactive isotope ^{177}Lu is already used clinically today and has been shown to have an effect in the treatment of cancer.

Extensive non-clinical development and optimization work has previously resulted in the candidate drug, ^{177}Lu-SN201 with the desired exposure to radioactivity in tumors, while minimizing the impact on other organs. In April 2024, the company reported favorable results from a study with ^{177}Lu-SN201 as monotherapy in a model for triple-negative breast cancer, a very aggressive and difficult-to-treat form of cancer in which the tumor cells often have resistance to chemotherapy even before chemotherapy treatment begins and which represents approximately 15 percent of all breast cancer cases. The results show a better tumor-inhibiting effect compared to drugs used in standard treatment, in parallel with a low level of radiotoxicity. The findings support continued non-clinical development to explore ^{177}Lu-SN201 as monotherapy and in combination therapy in triple-negative breast cancer, The company has also shown that ^{177}Lu-SN201 reduces tumor growth and prolongs survival by 37 percent in a preclinical model for colorectal cancer (Mattisson et al., 2023). The material has shown a good safety profile in regulatory preclinical toxicology studies, as well as favorable distribution in the body (biodistribution) in preclinical studies. Production of SN201 on a larger scale for clinical studies is completed and in the fourth quarter the first patient was successfully dosed in a clinical phase I/IIa dose escalation and dose expansion, first-in-human study in patients with advanced cancer. The primary objective of the study is to evaluate safety, biodistribution, tolerability and initial efficacy of ^{177}Lu-SN201. The Phase I part of the study is ongoing and will include up to 30 patients. Based on biodistribution analysis (by measuring radioactivity) in the first patients in the study, an early indication of the possibility of reaching a safe and effective dose can be expected. The study is initially being conducted at a number of clinics in Australia and as the study progresses, clinics in other countries may also be included.

[2] Eriksson et al., 2014 & Mattisson et al., 2023

PROGRAM - SPAGOPIX

BACKGROUND

SpagoPix is a selective contrast agent with extraordinary signal strength and potential to significantly improve the precision of magnetic resonance imaging (MRI). Through more precise visualization of lesions such as endometriosis and soft tissue, the chances of successful treatment of patients are increased.

The product candidate within SpagoPix, pegfosimer manganese, is as well as the candidate drug ^{177}Lu-SN201 designed for physiological and selective accumulation in tumors and other lesions via the EPR effect. Furthermore, the contrast agent has a significantly better ability to amplify the signal measured in MRI examinations (relaxivity) compared to current contrast agents.

The combination of the selective mechanism of action and the high signal strength gives MRI images better contrast between diseased and healthy tissue, which creates the conditions for more optimally utilizing the potential of MRI. Pegfosimer manganese can provide the ability to detect endometriosis and tumors with higher precision than is possible with today's contrast agents, thereby opening for improved imaging diagnostics, more efficient surgery, screening of high-risk patients, monitoring and follow-up of patients before and after surgery, and facilitating automated image analysis for example with AI-based systems. Improved methods for accurate visualization and diagnosis of endometriosis and tumors would increase the probability of a successful treatment and thus the patients' chance of better quality of life and survival. Pegfosimer manganese is also free of gadolinium, which means that, in addition to better precision, the risk of negative side effects due to the use of this foreign substance has also been eliminated. Instead of gadolinium, pegfosim manganese contains manganese (Mn) to enhance the signal detected during an MRI examination. Manganese is an essential element that occurs in many of our most common foods and is needed to maintain good health. In summary, these properties make pegfosimer manganese a unique contrast agent with the potential to significantly improve the imaging of endometriosis and tumors compared to conventional MRI contrast agents.

MARKET

It is estimated that more than 190 million women of reproductive age worldwide are affected by endometriosis, and endometriosis accounts for as high social healthcare costs as type 2 diabetes or rheumatoid arthritis. Endometriosis takes an average of 9 years to diagnose and the clinical need for improved diagnostic methods, especially non-invasive, is large.

Cancer is today one of the most common causes of illness and death among adults, especially the elderly. An early and correct cancer diagnosis is in many cases decisive for a positive treatment result. Survival is very dependent on early diagnosis because the chances of successful treatment decrease if the cancer has spread.

Already today, MRI constitutes clinical practice with several different areas of application, and a gadolinium-free contrast agent with higher precision can both take market shares from existing preparations and increase use even further. A tissue-selective product, free of gadolinium, is expected to be priced higher than today's products. This means that the possible market size is very attractive.

STATUS

Results from the clinical phase I study SPAGOPIX-01 in patients with confirmed breast cancer, show that pegfosimer manganese provides positive contrast in MRI images of human breast cancer tumors while maintaining a good safety profile. In addition to the positive contrast in breast cancer tumors, all MRI images in the study show that SN132D also generates good contrast in the pancreas and liver. Beyond confirming that pegfosimer manganese can improve the diagnosis and monitoring of suspected and diagnosed breast cancer with MRI, the results also confirm the ability of the company's unique platform material to accumulate selectively and without background noise in solid human tumors. This can be seen as a clinical validation of the platform technology and allows for the use of the company's nanomaterial also for therapeutic purposes. The results from the study were presented at the 2022 San Antonio Breast Cancer Symposium and further publications based on the final study report are planned.

At the end of 2023, the company announced positive top line data from the clinical phase IIa study SPAGOPIX-02, which included patients with endometriosis. The analysis of MRI-images from SPAGOPIX-02 shows that the primary endpoint of measuring the MRI enhancing effect in endometriotic lesions that was identified by the treating gynecologist was met. Contrast enhancement with pegfosimer manganese was observed in the majority of lesions confirmed by unenhanced ultrasound. In addition, pegfosimer manganese shows a good safety profile in patients with endometriosis. Exploratory analysis is suggestive of enhancement in active inflammatory lesions but not of indolent fibrotic lesions, supporting the clinical relevance of pegfosimer manganese-enhanced MRI, which may be of great importance for disease staging and

treatment planning. Final results will be published later in one or several appropriate scientific journals and at scientific conferences.

In the next stage, SN132D will be tested in larger clinical studies and/or in different indications prior to market approval. Spago Nanomedical's strategy is based on the licensing of projects in the clinical phase after confirmed proof-of-concept. The process of evaluating potential licensees is ongoing and has so far resulted in valuable feedback. On the basis of this, the company is currently evaluating the possibilities of financing a larger clinical study in patients with endometriosis through out-licensing, commercial collaborations or different types of grants.

FINANCIAL DEVELOPMENT

RESULTS

Operating expenses amounted to KSEK -9,497 (KSEK -17,168) for the quarter. The higher operating costs during last year were primarily related to the production of material to the clinical ongoing phase I/IIa study Tumorad-01.

Total revenue amounted to KSEK 1,428 (KSEK 1,346) for the quarter. The increase compared to the previous year relates mainly to the increased innovation support from the Australian authorities for the development activities that the company carried out during the quarter in Australia.

The operating result amounted to KSEK -8,070 (KSEK -15,821) for the quarter. Earnings per share before and after dilution amounted to SEK -0.03 (SEK -0.17) for the quarter.

INVESTMENTS AND FINANCIAL POSITION

At the end of the quarter, cash and cash equivalents amounted to KSEK 32,250 (KSEK 45,106).

Cash flow from operating activities amounted to KSEK -10,540 (KSEK -16,995) for the quarter. The higher negative cash flow during last year mainly relates to the production of material to the clinical ongoing phase I/IIa study Tumorad-01. Cash flow from investment activities amounted to KSEK -59 (KSEK 0) for the quarter. Cash flow from financing activities amounted to KSEK -2,368 (KSEK -0) for the quarter. The payments during the quarter refers to costs related to the rights issue, in which the subscription period expired on November 23, 2023. All funds from the rights issue were received before year-end last year.

At the end of the quarter, the company's equity amounted to KSEK 34,273 (KSEK 41,758) and the equity ratio to 82.6 percent (85.1 percent). Equity per share, before dilution, amounted to SEK 0.15 (SEK 0.46).

SHARES AND SHARE CAPITAL

The number of registered shares as of March 31, 2024 amounted to 224,715,454 and the number of warrants of series TO12 amounted to 127,321,212. Warrants of series TO12 give the holder the right, during the exercise period of May 17, 2024 through May 30, 2024, for each warrant to subscribe for one new share in the company at a subscription price equal to 70 percent of a volume-weighted average price of the company's share during a period in 10 trading days before the exercise period, however, a minimum of SEK 0.20 per share and a maximum of SEK 0.80 per share.

Spago Nanomedical's share is traded on the Nasdaq First North Growth Market, with the ticker SPAGO. By the end of the quarter, the share's quota value amounted to SEK 0.10, whereby the share capital amounted to SEK 22,471,545.40. The number of shareholders at the end of the period were 2,748. The largest owners at the end of the period were Peter Lindell, with companies and related parties, Mikael Lönn, Avanza Pension, Eva Redhe and Tiel Ridderstad.

The company has, per year-end 2023, changed accounting principle from capitalization model to costing model regarding expenses from to development projects related to the design and testing of new or improved products. For further information, see note 1.

CONSOLIDATED INCOME STATEMENT

Amounts in KSEK	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023
Income				
Net sales		350	88	1 203
Other operating income		1 078	1 259	4 728
Total income	1	**1 428**	**1 346**	**5 931**
Operating costs				
Project costs		-3 180	-10 749	-24 486
Other external costs		-2 444	-1 892	-7 958
Personnel costs		-3 740	-4 089	-15 711
Depreciation/amortization of fixed assets		-79	-69	-281
Other operating costs		-54	-368	-568
Total operating costs		**-9 497**	**-17 168**	**-49 005**
OPERATING RESULT		**-8 070**	**-15 821**	**-43 073**
Financial items				
Interest income and similar items		307	249	850
Total financial items		**307**	**249**	**850**
RESULT AFTER FINANCIAL ITEMS		**-7 763**	**-15 573**	**-42 223**
PROFIT/LOSS FOR THE PERIOD		**-7 763**	**-15 573**	**-42 223**

CONSOLIDATED BALANCE SHEET

Amounts in KSEK	Note	31 Mar 2024	31 Mar 2023	31 dec 2023
ASSETS				
NON-CURRENT ASSETS	1			
Tangible assets				
Equipment, tools, fixtures and fittings		847	784	925
Financial assets				
Other long-term receivables		210	0	153
Total non-current assets		**1 057**	**784**	**1 078**
CURRENT ASSETS				
Accounts receivables		202	94	370
Other current assets		662	765	990
Prepaid expenses and accrued income		7 298	2 315	5 331
Cash and cash equivalents		32 250	45 106	45 217
Total current assets		**40 411**	**48 279**	**51 907**
TOTAL ASSETS		**41 469**	**49 063**	**52 985**
EQUITY AND LIABILITIES				
Equity				
Equity	1	34 273	41 758	41 317
Total eqiuty		**34 273**	**41 758**	**41 317**
Provisions				
Provisions for pensions		210	0	153
Other provision		52	0	38
Total provisions		**262**	**0**	**191**
Current liabilities				
Accounts payables		4 287	4 499	6 391
Other current liabilities		366	472	448
Accrued expenses and deferred income		2 280	2 334	4 638
Total current liabilities		**6 933**	**7 305**	**11 477**
TOTAL EQUITY AND LIABILITIES		**41 469**	**49 063**	**52 985**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Not reg. share capital	Dev. fund	Other contributed capital	Translation difference	Other equity incl. profit/loss	Total equity
Opening balance Jan 1, 2023	**90 944**	**0**	**88 113**	**257 146**	**0**	**-239 047**	**197 156**
Change of accounting principle			-88 113			-51 744	**-139 857**
Adjusted opening balance Jan 1, 2023	**90 944**	**0**	**0**	**257 146**	**0**	**-290 790**	**57 299**
Translation difference					31		**31**
Profit/loss						-15 573	**-15 573**
Closing balance Mar 31, 2023	**90 944**	**0**	**0**	**257 146**	**31**	**-306 363**	**41 758**
Reduction of share capital	-81 849					81 849	**0**
Share issue	9 765	3 091		17 999			**30 855**
Issuance costs				-4 585			**-4 585**
Translation difference					-60		**-60**
Profit/loss						-26 650	**-26 650**
Closing balance Dec 31, 2023	**18 859**	**3 091**	**0**	**270 559**	**-29**	**-251 164**	**41 317**
Opening balance, Jan 1, 2024	**18 859**	**3 091**	**0**	**270 559**	**-29**	**-251 164**	**41 317**
Registration of share capital	3 091	-3 091					**0**
Share issue	521			729			**1 250**
Issuance costs				-568			**-568**
Translation difference					37		**37**
Profit/loss						-7 763	**-7 763**
Closing balance Mar 31, 2024	**22 472**	**0**	**0**	**270 721**	**8**	**-258 927**	**34 273**

CONSOLIDATED CASHFLOW STATEMENT IN SUMMARY

Amounts in KSEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Cash flow from operating activities and before changes in working capital	**-7 612**	**-15 752**	**-41 751**
Changes in working capital	-2 928	-1 243	-3 158
Cash flow from operating activities	**-10 540**	**-16 995**	**-44 909**
Cash flow from investing activities	-59	0	-506
Cash flow from financing activities	-2 368	0	28 530
Cash flow for the period	**-12 967**	**-16 995**	**-16 884**
Cash and cash equivalents at the beginning of the period	45 217	62 101	62 101
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**32 250**	**45 106**	**45 217**

DATA PER SHARE

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Earnings per share, before and after dilution, SEK	-0.03	-0.17	-0.43
Equity per share, before dilution, SEK	0.15	0.46	0.19
Average number of shares before dilution[1]	223 341 828	90 943 723	97 978 083
Average number of shares after dilution[1]	350 663 040	90 943 723	104 954 588
Number of shares at the end of the period[1]	224 715 454	90 943 723	219 507 121

OTHER KEY FIGURES

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Average number of employees	12	14	13
Equity ratio, %	82.6	85.1	78.0

[1] Subscribed but not registered shares are included.

FINANCIAL DEFINITIONS

EQUITY RATIO
Equity in relation to total balance sheet

EQUITY PER SHARE, BEFORE DILUTION
Equity in relation to the number of shares at the end of the period

EARNINGS PER SHARE, BEFORE DILUTION
Result for the period in relation to the average number of shares

EARNINGS PER SHARE, AFTER DILUTION
Result for the period in relation to the average number of shares increased by the number added at full dilution. In accordance with IAS 33, no dilution effect arises in cases where a conversion entails a lower loss per share.

ACCOUNTING PRINCIPLES

Spago Nanomedical AB (publ) reports in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR2012:1 Annual Report and consolidated statements (K3). The company's accounting principles are described in Note 1 in the company's annual report for 2022.

Consolidated accounts include the parent company Spago Nanomedical AB (publ) and the companies over which the parent company directly or indirectly has controlling interest (subsidiaries). Control means a right to shape another company's financial and operational strategies in order to obtain financial benefits. When assessing whether a controlling interest exists, account is taken of holdings of financial instruments that are capital instruments. Consideration is also given to whether the company has the opportunity to control the business through an agent. Controlling influence normally exists when the parent company directly or indirectly holds shares that represent more than 50% of the votes. A subsidiary's income and expenses are included in the consolidated accounts from and including the time of the acquisition/start-up up to and including the time when the parent company no longer has a controlling interest over the subsidiary. The accounting principles for the subsidiary are consistent with the group's accounting principles. All intra-group transactions, transactions and unrealized profits and losses attributable to intra-group transactions have been eliminated when preparing the consolidated accounts. The consolidated accounts are prepared according to the acquisition method, which means that the subsidiaries' taxed and untaxed equity is included in the group's equity only to the extent it was earned after the acquisition. The conversion of foreign companies takes place according to the current rate method (see also valuation in foreign currency in note 1 in the company's annual report for 2022).

Unless otherwise stated, this Interim report refers to the Group. Figures in parentheses refer to the corresponding period last year. The amounts are expressed in KSEK, which in this report refers to thousands of Swedish kronor.

NOTE 1

The company has, per year-end 2023, changed accounting principle from capitalization model to costing model regarding expenses from to development projects related to the design and testing of new or improved products. The change was made to adapt the company's accounting principles to industry practice and was made with retroactive application, i.e. recalculation of comparative figures from previous financial years is done as if the new accounting principle had always been applied.

EFFECTS IN THE INCOME STATEMENT	Jan-Dec 2023		
Amounts in KSEK	w/o change of accounting principle	Adjustment	with change of accounting principle
Income	2 540	-1 193	1 346
PROFIT/LOSS FOR THE PERIOD	**-14 379**	**-1 193**	**-15 573**

EFFECTS IN THE BALANCE SHEET	31 Dec 2023		
Amounts in KSEK	w/o change of accounting principle	Adjustment	with change of accounting principle
Intangible assets	141 050	-141 050	0
TOTAL ASSETS	**190 114**	**-141 050**	**49 063**
EQUITY	182 808	-141 050	41 758
TOTAL EQUITY AND LIABILITIES	**190 114**	**-141 050**	**49 063**

SIGNIFICANT RISKS AND UNCERTAINTIES

Spago Nanomedical's operations are exposed to a number of risk factors and elements of uncertainty, both operational and financial. Risk and uncertainty factors mainly consist of risks related to research and development, clinical trials, patents and other rights, collaborations and commercialization of projects, and financing. A detailed account of the company's significant financial risks is described on pages 25-26 in the annual report for 2022.

TRANSACTIONS WITH RELATED PARTIES

Chairman of the board, Hans Arwidsson, has during the quarter provided consulting services to the company within business development. Transactions with related parties have been made according to agreement based on market terms.

INVESTOR RELATIONS

This report can be downloaded from the website www.spagonanomedical.se
or ordered from the company by e-mail or mail: Spago Nano Medical AB, Scheelevägen 22, 223 63 Lund, Sweden. For further information, please contact CEO Mats Hansen on 046 811 88 or e-mail mats.hansen@spagonanomedical.se.

OTHER

This report has not been reviewed by the company's auditors. This is a translation of the Swedish interim report.

CERTIFICATION

The board and the CEO ensure that the interim report provides a fair overview of the company's operation, financial position and results and describes significant risks and uncertainties to which the company is exposed.

Lund May 2, 2024

Spago Nanomedical AB (publ)
Org.no: 556574-5048

Hans Arwidsson
Chairman of the board

Kari Grønås

Alan Raffensperger

Nicklas Westerholm

Mats Hansen
CEO