

# NeoDynamics intends to carry out a Rights Issue of shares in an amount of up to approximately SEK 25 million to finance commercialization and marketing activities and also intends to carry out a reverse split

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The Board of Directors (the "Board") of NeoDynamics AB (publ) ("NeoDynamics" or the "Company") has today resolved to propose that an extraordinary general meeting (the "EGM") resolves on a Rights Issue of shares with preferential rights for the existing shareholders of approximately SEK 25 million (the "Rights Issue"). The EGM will be held on 2 February 2024 and the notice of the EGM will be announced in a separate press release. The Company has received subscription undertakings from a selection of the Company's larger existing shareholders, including Gryningskust Holding AB ("Gryningskust") and Rentability Sweden AB as well as from members of the Company's Board and management corresponding to approximately 34 per cent of the proceeds of the Rights Issue. Furthermore, the Company has entered into agreements on guarantee commitments which, together with the subscription undertakings, secures the proceeds of the Rights Issue up to 100 per cent. The proceeds from the Rights Issue will primarily be used for continued commercialization and marketing activities in the United States of America and at selected centers in the United Kingdom, Germany, and Sweden as well as strengthen the Company's capital structure by repayment of existing loan. To finance operations until the Rights Issue has been completed, the Company has taken on bridge loans from one of the Company's shareholder, totalling MSEK 15, to be offset or repaid from the proceeds in the Rights Issue.

With the purpose of achieving a suitable number of outstanding shares, the Board has also resolved to propose that the Extraordinary General Meeting resolves upon a reverse split 1:100. The Board also proposes to reduce the share capital, to enable the Rights Issue.

## Summary

- The Rights Issue comprises a maximum of 25,360,828 shares.
- The subscription price is SEK 1 per share.
- Assuming full subscription in the Rights Issue, the proceeds of the Rights Issue will amount to approximately SEK 25 million, before reduction of issue related costs.
- One (1) existing share in the Company on the record day entitles to seven (7) subscription rights. Two (2) subscription rights entitle to subscription of one (1) share.
- The record date for the Rights Issue is 28 February 2024 and the subscription period runs from 1 March 2024 until 15 March 2024.

- The last day of trading in the NeoDynamics share, including the right to participate in the Rights Issue, is 26 February 2024 and first day of trading excluding the right to participate in the Rights Issue is 27 February 2024.
- Major shareholders have expressed their support for the Rights Issue through subscription undertakings corresponding to approximately 34 per cent of the Rights Issue. Furthermore, the Company has entered into agreements on guarantee commitments corresponding to approximately 66 per cent of the Rights Issue. The Rights Issue is thus, through subscription undertakings and guarantee commitments, secured to 100 per cent. The guarantee commitment has been provided by NeoDynamics shareholder Salenenterprise, owned by Erik Salén.
- The Company intends to publish a memorandum regarding the Rights Issue around 29 February 2024.
- To finance operations until the Rights Issue has been completed, the Company has taken on bridge loans from the Company's shareholder Salenenterprise (the "Lender") totalling MSEK 15 (the "Bridge Loan"). The Bridge Loan will be offset through conversion to shares in the Rights Issue corresponding to commitments made from the Lender. Any remaining part of the Bridge Loan will be repaid from the proceeds of the Rights Issue.
- With the purpose of achieving a suitable number of outstanding shares, the Board has resolved to propose that the Extraordinary General Meeting resolves upon a reverse split 1:100 entailing that 100 shares are combined into one (1) share. If a shareholder's current holding of shares do not correspond to a whole number of new shares, such shareholder will, without charge, from Gryningskust be provided with such number of shares (1-99) that its holding is dividable with 100, so called rounding upwards.
- In order to achieve a total number of outstanding shares that are dividable with 100, the Board also proposes that the Extraordinary General Meeting resolves upon a directed share issue to Gryningskust of 6 shares at quota value.
- Following the directed issue and reverse split, the number of shares in the Company will be 7,245,951 with a quota value of SEK 1.725. The reverse split shall be completed before the Rights Issue.
- The Board has also resolved to propose the EGM to resolve on a reduction of the Company's share capital in order to reduce the quota value to SEK 0.40 to enable the Rights Issue as well as to resolve on an additional reduction of the share capital after the Rights Issue to reduce the quota value to SEK 0.10, the latter resolution will require the approval of the SCRO to be executed. The Board has also resolved to propose amendments to the current articles of association to enable the reverse split, Rights Issue and reductions of share capital and also so that the required flexibility to increase the Company's share capital if necessary is achieved. The notice is published through a separate press release.

### **Background and motive for the Rights Issue**

NeoDynamics is a Swedish medical technology company focused on precision biopsy in cancer. With an initial focus on supporting the diagnosis and treatment of breast cancer, the system is well documented, has substantial intellectual property rights, and provides multiple opportunities for future development and revenue growth. Future indications to evaluate include suspected cellular changes all organs accessible to core needle biopsy methods and target some of the most common cancers in both women and men. These include prostate cancer, non-Hodgkin's lymphoma, head and neck cancer, or kidney, liver, or pancreas cancer. These are of increasing prevalence, where precision biopsy is essential to confirm the diagnosis and create individualized treatment plans using

molecular genetic tools. Future applications will also focus on targeted drug delivery of cytotoxic agents directly into the target tissue to increase the efficacy and mitigate adverse systemic effects of these therapies.

The Company's primary product is the biopsy system NeoNavia® system for ultrasound-guided biopsy. The biopsy system is based on patented ultrasound-guided pulse technology developed at the Karolinska Institutet in Sweden. The pulse technique allows clinicians to move the needle in a controlled, incremental (1-2 mm/pulse) manner, providing unparalleled safety and precision when performing lesion biopsies. NeoNavia® has FDA marketing authorization in the US since September 2022 and has a CE mark in Europe, where the system has started to be used in over 30 clinics. Today, the area of use for NeoNavia® is ultrasound-guided breast biopsies and axillary lymph node biopsies.

Commercialization efforts in the United States will focus on axillary lymph node biopsy, taking advantage of current trends moving from surgical intervention to a minimally invasive technique. This is in line with the general trend in biopsy practice in breast cancer, where most procedures are performed less invasively and with ultrasound-guided imaging technology, even in outpatient care.

The Rights Issue is carried out to finance NeoDynamics' commercialization and market development in the USA, completion of the clinical program, initial measures for other indications where the precision of pulse technology is in demand (e.g. prostate cancer)

Following offsetting and repayment of loans, the Company intends to use the expected net proceeds from the Rights Issue, in the following order of priority and with an approximate stated proportion, to:

- commercialization of NeoNavia® (approximately 60 %) – comprising commercialization in the largest and most prestigious top centres in the USA, centres who influence the agenda of the breast cancer area;
- NeoNavia® product maintenance, finalize the clinical research program including new indications (approximately 20 %) – comprising exploration and development of the current technology to fit unmet needs within the prostate cancer area;
- working capital for general corporate purposes (about 20 %).

## **Terms of the Rights Issue**

Persons who are registered as a shareholder on the record date of 28 February 2024, has preferential rights to subscribe for shares in the Rights Issue in relation to the number of shares held on the record date. One (1) existing share in the Company entitles to seven (7) subscription rights. Two (2) subscription rights entitle to subscribe for one (1) new share.

The record date for the Rights Issue is 28 February, and the subscription period runs from 1 March 2024, until 15 March 2024.

The subscription price is SEK 1 per share.

If all of the shares are not subscribed for with subscription rights, the Board shall, up to the maximum amount of the Rights Issue, resolve on allocation of shares which have been subscribed for without subscription rights, in accordance with the following allocation principles:

- Primarily, allocation shall be made to those who have also subscribed for shares with subscription rights, regardless of them being shareholder at the record date or not, and in case of oversubscription, allocation shall be made pro rata in proportion to the number of subscription rights used to subscribe share for and, to the extent the shares cannot be allocated as stated above, allocated through a drawing of lots.
- Secondly, allocation of shares subscribed for without subscription rights shall be made to others who have only registered for subscription without subscription rights, and in case of oversubscription, allocation shall be made pro rata in proportion to the number of shares subscribed for and, to the extent the shares cannot be allocated as stated above, allocated through a drawing of lots.
- Thirdly, allocation of shares subscribed for without subscription rights shall be made to those who have made guarantee commitments, in proportion to such guarantee commitment, and to the extent the shares cannot be allocated as stated above, allocated through a drawing of lots.

Upon full subscription in the Rights Issue, the share capital will increase by a maximum of SEK 10,144,331.20 from SEK 2,898,380.40 (after the reverse split and reduction of the share capital) to SEK 13,042,711.60 by issuing a maximum of 25,360,828 new shares, which results in the total number of outstanding shares in the Company increasing from 7,245,951 (after the reverse split) to 32,606,779. Shareholders who choose not to participate in the Rights Issue will, on condition that the Rights Issue is fully subscribed, have their shares diluted by approximately 78 per cent.

A valid resolution on the Rights Issue is conditioned upon that the EGM also resolves in accordance with the Board's proposal on the reverse split and reduction of the share capital. The reverse split shall be completed before the Rights Issue.

Full terms and conditions for the Rights Issue and other information about NeoDynamics will be presented in the memorandum, which is expected to be published by the Company on its website, [www.neodynamics.com](http://www.neodynamics.com), around 29 February 2024.

### **Subscription undertakings and guarantee commitments**

NeoDynamics has received subscription undertakings from a selection of the Company's major existing shareholders, including Gryningskust, Rentability Sweden AB, and members of the Company's board and management team, corresponding to about 34 per cent of the Rights Issue. Furthermore, the Company has entered into an agreement on guarantee commitment with Salenenterprise, owned by Erik Salén, that ensures, provided that subscription corresponds to at least the subscription undertakings occur, that 100 per cent of the Rights Issue is subscribed for. No compensation is paid for the guarantee or for subscription commitments.

### **Preliminary timeline for the Rights Issue**

2 February 2024	EGM
19 February 2024	Record date for Reverse Split
26 February 2024	Last day of trading in the share incl. preferential rights
27 February 2024	First day of trading in the share excl. preferential rights
28 February 2024	Record date in the Rights Issue
29 February 2024	Estimated date for publication of the memorandum
1 March – 12 March 2024	Trading in subscription rights
1 March – 15 March 2024	Subscription period
1 March 2024 until registration of the Rights Issue	Trading in paid subscribed shares (Sw. "BTA")
19 march 2024	Estimated date for publication of the outcome in the Rights Issue

## Extraordinary General Meeting

The EGM is planned to be held on 2 February 2024. The Board's proposal for resolutions includes, in addition to the Rights Issue, resolutions on (i) directed share issue and reverse split and in connection with that new articles of association, and (ii) reduction of share capital and in connection with that new articles of association, (iii) authorization for the Board to resolve on new issue of shares, and (iv) reduction of share capital and in connection with that new articles of association. For further information, please see the separate press release with the extraordinary general meeting notice.

## Reverse Split and reduction of share capital

With the purpose of achieving a suitable number of outstanding shares, the Board has resolved to propose to the EGM to resolve upon a reverse split as follows:

The Board proposes that the Extraordinary General Meeting resolves upon a reverse split of shares 1:100 entailing that 100 shares are combined into one (1) share. If a shareholder's shareholding does not correspond to a whole number of new shares, such shareholder will receive from Gryningskust, without charge, such number of shares (1-99) required in order for the shareholding to be dividable with 100, so called rounding upwards. The purpose of the reverse split is to achieve a suitable number of shares.

In order to have a total number of shares in the Company that is evenly dividable with 100, the Board will also propose a directed share issue of six (6) shares to Gryningskust at a subscription price corresponding to the quota value. The total subscription price is approximately SEK 0.10.

Following the reverse split and the directed share issue, the total number of outstanding shares in the Company will be 7,245,951, which entails a quota value of SEK 1.725 per share.

The resolution on the reverse split shall be registered with the SCRO and it is proposed that the Board shall be authorized to determine the record date for the reverse split, which however must not occur before the reverse split has been registered with the SCRO.

Since the reverse split requires changes to the articles of association, the Board also proposes that the articles of association be amended to enable the reverse split.

The Board also intends to propose resolutions on reduction of the Company's share capital in order to reduce the quota value to SEK 0.40 to enable the Rights Issue and an additional reduction of the share capital after the Rights Issue to reduce the quota value to SEK 0.10, the latter resolution will require the approval of the SCRO to be executed.

The resolution on the Rights Issue is also conditioned upon the Extraordinary General Meeting resolving in accordance with the proposal on the reverse split and the reduction of the share capital to reduce the quota value to SEK 0.40.

## **Memorandum**

Complete conditions and instructions for the Rights Issue and other information about the Company and subscription undertakings and guarantee commitments will appear in the memorandum that the Company is expected to publish around 29 February 2024.

## **Advisers**

Advokatfirman Lindahl KB acts as legal advisor to NeoDynamics in connection with the Rights Issue. Hagberg & Aneborn acts as the issuing agent in connection with the Rights Issue.

## **For further information, please contact:**

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## **About NeoDynamics**

*NeoDynamics AB (publ) is a Swedish Medical Technology Company dedicated to advancing diagnosis and care of cancer. The company's first product NeoNavia®, a new innovative pulse biopsy system for ultrasound-guided tissue sampling, is currently being introduced to the market. NeoNavia® is CE approved, and in September 2022, received a 510k approval from the FDA. The biopsy system is built on a patented pulse technology, based on research at the Karolinska Institutet in Sweden. NeoNavia is evaluated for breast cancer diagnosis at leading clinics in Europe and launches in USA during 2023. NeoDynamic's shares are listed on Nasdaq First North Growth Market Stockholm (ticker: NEOD). The company's Certified Adviser is Redeye AB.*

## **About NeoNavia®**

*NeoNavia® is the trade name for the complete biopsy system intended for use in ultrasound-guided sampling. NeoNavia® consists of a base unit, a hand unit, and three types of biopsy needles. The pulse technology drives the respective needle type, which facilitates needle insertion and placement in the suspected tumor. The system is designed to offer physicians and patients precise and robust tissue sampling for accurate diagnosis and individualized treatment.*

## **About the pulse technology**

*The patented pulse technology is based on a pneumatically driven mechanism that enables high precision and control when inserting and positioning the biopsy needle, regardless of tissue type. The pneumatic drive unit that generates pulses is located in a hand-held instrument. With power from the base unit, the hand-held driver accelerates the biopsy needle with great control, even over short distances, enabling a distinct step-by-step insertion without affecting the surrounding tissue. This enables good access and flexibility in sampling, even in tiny and tricky localized tumors.*

*For more information, please visit [Neodynamics.com](https://www.neodynamics.com).*

## **IMPORTANT INFORMATION**

*The information in this press release neither contains nor constitutes an offer to acquire, subscribe or otherwise trade in shares, warrants, or other securities in NeoDynamics. No action has been taken, and no action will be taken to permit an offer to the public in any jurisdiction other than Sweden.*

This press release is not a prospectus within the meaning of the Prospectus Regulation (EU) 2017 /1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. This press release neither identifies nor purports to identify risks (direct or indirect) that may be associated with an investment in shares, warrants, or other securities in NeoDynamics. A memorandum will be prepared in connection with the Rights Issue. Any investment decision should be made solely based on the memorandum's information in order for an investor to fully understand the potential risks and benefits associated with the decision to participate in the Rights Issue. An investor is therefore advised to read the entire memorandum.

The information contained in this press release may not be disclosed, published, or distributed, directly or indirectly, within or to the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where such action would be illegal, subject to legal restrictions or require measures other than those that follow from Swedish law. Actions contrary to this instruction may constitute a violation of applicable securities legislation. No shares, warrants, or other securities of NeoDynamics have been registered, and no shares, warrants, or other securities will be registered, under the United States Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction from time to time. In the United States and may not be offered, sold, or otherwise transferred, directly or indirectly, in or to the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and pursuant to securities laws in the relevant state or other jurisdiction of the United States.

Within the European Economic Area ("EEA"), no offer of shares, warrants or other securities ("Securities") is made to the public in any country other than Sweden and in Sweden based on an exception from the requirement to prepare a prospectus in accordance with the Prospectus Regulation.



In the United Kingdom, this document, and other materials relating to the securities referred to herein, are distributed and directed only to, and an investment or investment activity attributable to this document is only available to and will only be able to be exercised by “qualified investors” (in a sense in the UK version of Regulation (EU) 2017/1129 which is part of UK legislation by the European Union (Withdrawal) Act 2018) who are (i) persons who have professional experience in dealings relating to investments and who fall within the definition of “investment professionals” in Article 19 (5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Regulation”); (ii) “high net worth entities” etc. as referred to in Article 49 (2)(a)-(d) of the Regulation; or (iii) such other persons to whom such investment or investment activity may lawfully be directed under the Regulations (all such persons are collectively referred to as “relevant persons”). An investment or an investment measure to which this notice relates is available in the United Kingdom only to relevant persons and will only be carried out with relevant persons. Persons who are not relevant persons shall not take any action based on this document nor act or rely on it.

This press release may contain certain forward-looking information that reflects the Company's current view of future events as well as financial and operational development. Words such as “intends”, “estimates”, “expects”, “may”, “plans”, “believes”, “estimates” and other expressions that imply indications or predictions of future developments or trends, and are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with known and unknown risks and uncertainties because it depends on future events and circumstances. Forward-looking information does not guarantee future performance or development, and actual outcomes may differ materially from what is stated in the forward-looking information.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

*This information is information that Neodynamics is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-01-03 22:40 CET.*

## **Attachments**

[NeoDynamics intends to carry out a Rights Issue of shares in an amount of up to approximately SEK 25 million to finance commercialization and marketing activities and also intends to carry out a reverse split](#)