

Commercialisation Continues

First Quarter 2024

- Revenues amounted to SEK 497 (318) thousand, of which SEK 103 (97) thousand were net sales.
- Net loss amounted to SEK -17,755 (-23,233) thousand.
- Loss per share amounted to SEK -0.06 (-0.19).
- Cash and cash equivalents amounted to SEK 7,425 (5,366 prior year) thousand.

Significant events during the quarter

- NeoDynamics held an Extraordinary General Meeting on the 2 February 2024, where its shareholders resolved on a reverse share split of 1:100, an ammendment of the articles of association and a rights issue of shares of approximately SEK 25 million.
- In February 2024, Anna Eriksrud announced her desire to retire.
- NeoDynamics announced the outcome of the Rights Issue. A total of 25,360,828 shares were subscribed, corresponding to 100 percent of the Rights Issue. In total, 11,296,852 shares were subscribed for with subscription rights, corresponding to approximately 44.5 percent of the Rights Issue. 1,128,114 shares were subscribed for without subscription rights, corresponding to approximately 4.4 percent of the Rights Issue. The remaining shares issued through the Rights Issue were subscribed for by Salénterprise, amounting to 12,935,862 shares, corresponding to approximately 51.0 percent of the Rights Issue. Through the Rights Issue, NeoDynamics will receive approximately SEK 25 million before issue costs and set-off of loans.
- In March 2024, NeoDynamics announced the appointment of Matilda Salén as CEO.

Significant events after the end of the quarter

- NeoDynamics announced the final outcome regarding the exercise warrants of series TO3. On 2 February 2024, the extraordinary general meeting (the "EGM") resolved on a reduction of NeoDynamics' ("NeoDynamics" or the "Company") share capital in order to reduce the quota value to 0.40 SEK, to enable the recently completed rights issue ("Rights Issue"). Consequently, an additional recalculation, in addition to the recalculation announced by the Company on 19 February 2024, was made regarding the warrants of series TO3 in accordance with the terms of the warrants of series TO3. Against this background, the new subscription price was 0.97 SEK per share, and as a result of a reverse share split resolved on by the EGM, one hundred (100) series TO3 warrants were required to subscribe for one (1) new share.
- NeoDynamics announced that Salénterprise had increased its shareholding in the company through the exercise of its guarantee commitments for the Rights Issue to 39.5%.
- NeoDynamics announced that Salénterprise submitted a cash tender offer to the shareholders of NeoDynamics AB (publ) to transfer all shares in NeoDynamics to Salénterprise for SEK 1.00 in cash per share.
- The Board of NeoDynamics announced that due to the variability in the outcome regarding the companies future value, they have chosen not to advise the shareholders in their decision regarding the bid price. In addition, the board would like to point out that Salénterprise is working toward a delisting of the company, and aims to reach the 90% voting threshold to secure such an event.

CEO COMMENT

Commercialisation Continues

It was a great honour for me to join NeoDynamics in March, and I am excited about the opportunity and responsibility to take NeoDynamics to the next level in close cooperation with the Board and the Management Team in our pursuit to advance the diagnosis and care of cancer. Our main product, NeoNavia® is an innovative biopsy system for ultrasound-guided tissue sampling, that provides better results and experiences for both patients and physicians. We have now built the platform that enables us to grow sales, excite customers, and prove the value of both the product and the company.

US commercialisation in progress

During Q1, we have been actively engaged in processes with leading hospitals and cancer centres across the US, and both our needles are being used clinically as we are moving pilots forward. Additionally, several hospitals have confirmed their willingness to write and publish whitepapers in 2024 based on their positive experiences and successful pilot studies.

First repeat orders received in Europe

In Europe, we have received our first repeat orders, and we are starting to see conversion of pilot studies to commercial use. However, the conversion is happening at a slightly lower pace than anticipated due to the delay in needle availability experienced last year. The needle availability issues have also caused several pilot extensions, in order to give centres adequate time to test and get familiar with the full system.

We currently have over 20 pilots running in all markets, and over half of them with end dates in late Q2. We remain hopeful that many of them will convert into commercial accounts. Our confidence in the UK is particularly strong as we are already seeing COMPULSE Study sites starting to adopt CorePulse and VacuPulse needles in addition to the FlexiPulse probes used in the study.



All three needles are available and in stock in all targeted markets and the feedback received in relation to the needle improvements implemented last year is overwhelmingly positive. This includes for example the general sturdiness of the CorePulse needle and the sampling ability of the VacuPulse needle.

Financing update

To secure funding for operations in Europe and the commercial launch of NeoNavia® in the US, we have raised capital in several steps during 2023 and in the beginning of 2024. In March 2024, we completed a Rights Issue of approximately SEK 25m before transactions costs and set-off of loans. We continue to have full focus on balancing cost and cash against available financing options.

May 6th, 2024, Salénterprise AB, NeoDynamics' largest shareholder after the Rights Issue in March, made a takeover bid for all the shares in the company. The bid offers 1 SEK in cash for each share. The Board and Management are pursuing a longterm solution that will secure sufficient capital to Europe and the US. This includes a potential sale of the company or partnership with a larger industry player, who has a natural strategic fit with NeoNavia®, as well as the resources and commercial setup to drive sales in key markets in a meaningful way.

CEO Matilda Salén

Financial overview

Revenue and earnings

Revenues during the quarter amounted to SEK 497 (318) thousand, of which net sales were SEK 103 (97) thousand. Development costs for NeoNavia, related to personnel costs, were capitalized with SEK 0 (0) thousand during the quarter. Deliveries have been resumed to customers and all three needles are now available.

Cost of goods were SEK 222 (143) thousand during the quarter. Other external costs decreased to SEK 8,737 (12,004) thousand for the quarter, reflecting the start of the cost cutting program.

Personnel costs decreased to SEK 4,230 (6,652) thousand during the quarter, an effect of several employees leaving the business during 2024, which is related to the cost cutting program.

Operating loss amounted to SEK -17,790 (23,155) thousand for the quarter, whereas EBITDA, i.e., operating profit excluding depreciation, amounted to SEK -13,178 (-18,564) thousand for the quarter.

Financial position

Cash and cash equivalents at the end of the period amounted to SEK 7,425 thousand (SEK 5,366 thousand prior year). The loan of SEK 10 million received in December 2023, and the second loan of SEK 15 million received in January, both from Salénterprise, positively impacted our working capital.

The Board of Directors assesses that there is uncertainty about the company's going concern, and are working to secure the short term financing needs of the company. In the long term, the Board and management are actively working toward securing the business by investigating partnerships and a potential sale of the company, whilst focusing on the organic commercialisation of the business.

Group Cash flow from operating activities before changes in working capital amounted to SEK -13,046 (-18,623) thousand and after changes in working capital to SEK -20,136 (-21,433) thousand. The total cash flow amounted to SEK 5,105 (-14,713) thousand.

At the end of the reporting period, the equity to assets ratio was 71 (79) percent and equity amounted to SEK 51,813 (62,290) thousand.

The share

NeoDynamic's share was listed on the Nasdaq First North Growth Market on May 2nd 2022, with Redeye as Certified Adviser. The share's ticker is "NEOD" and the ISIN code is SE0011563410.

On December 31, 2023 the number of shares in NeoDynamics AB amounted to 724,595,094, up from 120,501,184 at year-end 2022.

In the first quarter of 2024, as a result of the combination of a Rights Issue and reverse share split (1:100), the share capital increased by SEK 10,144,331.20, from SEK 12,499,265.475 to SEK 22,643,596.675, and the number of shares increases with 25,360,828, from 7,245,951 to 32,606,779 shares. The Extraordinary General Meeting has, to enable the Rights Issue, resolved on a reduction of the Company's share capital in order to reduce the quota value to SEK 0.40 and resolved on an additional reduction of the Company's share capital after the Rights Issue. The latter resolution requires the approval of the Swedish Companies Registration Office to be executed and entails that the quota value is reduced to SEK 0.10. This entails that the share capital, after the registration of the first reduction, will amount to SEK 13,042,711.60 After both reductions has been registered and the latter reduction has been executed, the share capital will amount to SEK 3,260,677.90.

On March 31, 2024, the number of shares in the company was 32,611,170 and the last price paid in the period was SEK 0.95.

Shareholders

On April 25th 2024, after the full registration of the most recently carried out Rights Issue, the company had a total of 3,572 shareholders, compared with 4,247 on 31st March 2023. The 10 largest shareholders on that date are listed in the table below.

Name	Shareholding	Ownership
Salénterprise AB	13,000,587	39.87%
Gryningskust Holding AB	10,706,701	32.83%
Rentability Sweden AB	1,295,163	3.97%
Humlan Fastighetsutveckling AB	547,924	1.68%
Calyptra AB	467,518	1.43%
Claes Pettersson	305,973	0.94%
Avanza Pension	277,336	0.85%
Six Sis AG	276,275	0.85%
Fellman, Sten-Anders Sigvard	197,385	0.61%
Anna Eriksrud	172,309	0.53%
Others	5,363,999	16.44%

Financial Calendar 2024

Annual General Meeting 2024-06-17
Interim Report Q2 2024-08-20
Interim Report Q3 2024-11-19

All reports are available at the company's website: https://www.neodynamics.com/en-gb/reports

Risks and uncertainties

A number of risk factors could have a negative impact on NeoDynamics AB's operations. It is therefore important to consider any relevant risks in addition to the company's growth opportunities. As of recent, we see an added uncertainty in our surrounding world, both as a result of Russia's invasion of Ukraine and through a financial instability with rising inflation and general macroeconomic uncertainty. The company now stands ready to commercialize its first main product. The Board and company management are assessing alternatives to secure financing of the commercialization and the company's long-term capital requirements on an ongoing basis. For a detailed outline of the risks attributable to the company and its shares, please refer to the prospectus published by the Board in July 2023.

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act and in accordance with the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). For intangible assets, the activation model in the general council has been applied. The company's assets and liabilities are stated at cost and nominal value, unless otherwise stated.

Review of the report

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

Interim report submitted

The Board of Directors and the CEO hereby certify that this interim report provides a true and fair view of NeoDynamics' operations.

Lidingö on May 7, 2024

Matilda Salén Ingrid Salén Carina Bolin
CEO Chairman of the Board Board member

Matthew E. Colpoys Jr Claes Pettersson
Board member Board member

NeoDynamics AB 559014-9117

For further information, please contact

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The company's Certified Adviser is Redeye AB.

Consolidated accounts: Income statement

Amount in SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	103	97	321
Work performed by the Company for its own use and capitalized	0	0	430
Other operating income	394	221	1,100
	497	318	1,851
Cost of goods	-222	-143	-1,419
Other external costs	-8,737	-12,004	-43,681
Personnel costs	-4,230	-6,652	-28,275
Depreciation/amortization of tangible and intangible assets	-4,612	-4,591	-18,296
Other operating expenses	-486	-83	-1,135
	-18,287	-23,473	-92,806
OPERATING LOSS	-17,790	-23,155	-90,955
Financial income	266	7	10
Financial costs	-556	-85	-3,557
	-290	-78	-3,547
LOSS AFTER FINANCIAL ITEMS	-18,080	-23,233	-94,502
Tax	325	0	1,837
NET LOSS	-17,755	-23,233	-92,665
Number of shares at end of period*	32,611,170	120,501,184	724,595,094
Average number of shares	305,820,019	120,501,184	306,784,408
EARNINGS PER SHARE BEFORE DILUTION, SEK	-0.06	-0.19	-0.30

^{*}Total number of shares pending registration at the end of the period 25,365,219 (T03: 4,391 + New Share Issue: 25,360,828)

Consolidated accounts: Balance sheet

Amount in SEK thousands	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Subscribed not received capital	1,132	0	0
Non-current assets			
Intangible assets	34,028	50,646	38,459
Tangible assets	1,031	1,735	967
Financial assets	124	138	123
Deferred tax	952	0	620
Total non-current assets	36,135	52,519	40,169
Current Assets			
Inventories	9,533	5,621	8,190
Accounts receivables	217	226	256
Other receivables	11,772	13,163	12,454
Prepaid expenses and accrued income	1,151	865	631
	22,673	19,875	21,531
Cash and cash equivalents	7,425	5,366	2,301
Total current assets	30,098	25,241	23,832
TOTAL ASSETS	67,365	77,760	64,001
EQUITY AND LIABILITIES			
Equity			
Share capital	12,499	12,050	12,499
Not registered share capital	-9,238	0	
Other contributed equity	308,951	302,812	294,541
Other equity incl. profit/loss for the year	-264,389	-253,736	-265,937
Total equity Provisions	47,823	61,126	41,103
Provisions for guarantee	500	500	500
Current liabilities			
Accounts payable	3,732	1,389	8,609
Current tax liability	270	1,467	260
Other liabilities	12,549	7,579	10,540
Accrued expenses	2,491	5,699	2,989
Total current liabilities	19,042	16,134	22,398
TOTAL EQUTY AND LIABILITIES	67,365	77,760	64,001

Consolidated accounts: Statements of change in equity in summary

Amounts in SEK thousands	Jan-Ma	Jan-Dec	
	2024	2023	2023
Balance at the beginning of the period	41,103	84,323	84,323
Shares subscribed with warrants	4	0	513
New share issue	25,361	0	57,844
Costs for new share issue	-811	0	-9,007
Translation difference	-79	36	95
Profit(-loss) for the period	-17,755	-23,233	-92,665
Balance at the end of the period	47,823	61,126	41,103

Consolidated accounts: Cash flow statement

Amount in SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating activities			
Operating profit/loss	-17,790	-23,155	-90,955
Adjustments for items not included in cash flow	4,765	4,531	18,589
Interest received	1	1	12
Interest paid	-15	0	-3,260
Paid income tax	-7	0	-8
Cash provided by operating activities before changes in working capital	-13,046	-18,623	-75,622
Cash from changes in working capital			
Increase (-) / decrease (+) in inventories	-1,032	-2,499	-6,134
Increase (-) / decrease (+) in account receivables	201	-91	9
Increase (-) / decrease (+) in other receivables	454	-664	331
Increase (+) / decrease (-) in account payables	-5,191	-602	7,291
Increase (+) / decrease (-) in other operating liabilities	-1,522	1,046	-1,696
Cash provided by operating activities	-20,136	-21,433	-75,821
Investing activities			
Investment in intangible assets	0	-280	-1,281
Investment in tangible assets	-245	0	0
Investment in financial assets	0	0	0
Cash used in investing activities	-245	-280	-1,281
Financing activities			
Rights issue	24,233	0	57,844
Costs for rights issue	-811	0	-9,007
Shares subscribed with warrants	0	0	513
Received loan	15,000	7,000	40,715
Amortization loan	-12,936	0	-30,700
Cash used in financing activities	25,486	7,000	59,365
Net change in cash and cash equivalents	5,105	-14,713	-17,737
Cash and cash equivalents, opening balance	2,301	20,067	20,067
Foreign exchange differences in cash	19	12	-29
Cash and cash equivalents, ending balance	7,425	5,366	2,301

Condensed parent company income statement

Amount in SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	3,161	3,239	4,813
Work performed by the Company for its own use and capitalized	0	0	430
Other operating income	335	23	683
	3,496	3,262	5,926
Cost of goods	-1,285	-1,207	-2,333
Other external costs	-8,176	-13,005	-40,877
Personnel costs	-2,147	-3,004	-9,645
Depreciation/amortization of tangible and intangible assets	-4,612	-4,591	-18,281
Other operating expenses	-490	-63	-911
	-16,710	-21,870	-72,047
OPERATING LOSS	-13,214	-18,608	-66,121
Net financial items	-4,364	-18	-19,309
LOSS AFTER FINANCIAL ITEMS	-17,578	-18,626	-85,430
Tax	0	0	0
NET LOSS	-17,578	-18,626	-85,430
Condensed parent company balance sheet			
Amount in SEK thousands	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Subscribed not received capital	1,132	0	0
Non-current assets			
Intangible assets	34,028	50,646	54,713
Tangible assets	1,031	1,735	1,575
Financial assets	371	3,510	372
Total non-current assets	35,430	55,891	56,660
Current Assets			
Inventories	6,894	4,415	3,406
Accounts receivables	233	226	132
Receivables from group companies	8,653	3,934	1,385
Other receivables and prepaid expenses	12,335	13,372	12,736
Cash and cash equivalents	6,028	2,322	16,534
Total current assets	34,143	24,269	34,193
TOTAL ASSETS	70,705	80,160	90,853
EQUITY AND LIABILITIES			
Equity	51,813	62,290	80,916
Provisions	500	500	500
Current liabilities			
Accounts payable	2,795	1,357	1,763
Liabilities to group companies	469	2,079	3,526
Other liabilities and accrued expenses	15,128	13,934	4,148
Total current liabilities	18,392	17,370	9,437
TOTAL EQUTY AND LIABILITIES	70,705	80,160	90,853

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net sales, SEK thousands	10	33	0	97	20	0	204	103
Operating loss, SEK thousands	-17,487	-14,441	-25,459	-23,155	-26,193	-22,118	-19,489	-17,790
Operating margin %	neg							
Balance sheet total, SEK thousands	133,007	117,997	93,488	77,760	78,683	71,704	64,001	67,365
Equity ratio %	94%	94%	90%	79%	45%	83%	64%	71%
Cash, SEK thousands	52,782	39,966	20,067	5,366	7,754	4,609	2,301	7,425
Earnings/loss per share, SEK	-0.16	-0.12	-0.22	-0.19	-0.22	-0.09	-0.03	-0.06
Equity per share, SEK	1.04	0.92	0.70	0.51	0.29	0.08	0.06	1.47

Definitions

Earnings/Loss per share Earnings/loss for the period / average number of shares

Equity / assets ratioTotal equity / total assets

Equity per share Equity at the end of the reporting period / average number of shares

Operating margin Operating profit / net sales

EBITDA Operating Profit less Depreciation

Option Programs - 2022/2025

The company has implemented twos incentive program aimed at senior executives and employees in the company.

In 2022, 2,640,000 warrants were issued with the right for holders to for each option subscribe for one (1) share with a subscription price of SEK 1.74 during the period February 17, 2025 – May 17, 2025.

In 2023, 1,250,000 warrants were issued with the right for holders to for each option subscribe for one (1) share with a subscription price of SEK 0.1304 during a three year vesting period.

The Board's ambition is to propose the issuance of warrants or equivalent up to a maximum total dilution of 5%.

There are no dilution effects during the period. The terms of the warrant and stock option programs, respectively areavailable on the company's website.

NeoDynamics in brief

NeoDynamics AB (publ) is a Swedish medical technology company dedicated to advancing the diagnosis and care of cancer. The company has an innovative biopsy system, NeoNavia®. The biopsy system is based on patented pulse technology, developed from research carried out at the Karolinska Institute in Sweden. The system is designed to offer clinicians and patients accurate lesion targeting and high tissue yield for accurate diagnosis and individualized treatment. The launch of NeoNavia® has been initiated in the UK, Germany and Sweden.

A growing breast biopsy market

At least 6 million breast biopsies are performed every year in order to detect suspected cancer. Every year, about 2.1 million women are diagnosed with breast cancer, a number that increases by 5 percent annually. The market for breast cancer diagnostics is growing and was estimated in 2025 to reach 830 million US dollars. The proportion of non-surgical biopsies is increasing at the expense of the surgical ones. Extended screening programs and new screening techniques enable more and more tumors to be detected earlier. New therapies are increasing the need for biopsies to confirm diagnoses but also to follow up on treatment results.

NeoNavia® - a unique biopsy system

NeoNavia consists of a base unit, a handheld driver and three different types of biopsy needles. Each needle type is driven by pulses, enabling high precision and control when inserting and positioning the biopsy needle in a suspicious lesion. The system is designed to offer accurate lesion targeting and high tissue yield for accurate diagnosis and individualized treatment. The product has CE approval since 2016 and received FDA clearance in 2022

New innovative 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 driver that generates pulses is placed in a handheld instrument. Powered by the base unit, the driver accelerates the needle with great control even

over a short distance, enabling its distinct stepwise insertion without risking to destroy surrounding tissue. This facilitates ease of access and flexibility in sampling, even in very small lesions in delicate and difficult locations as well as in dense tissue.

Intellectual Property

The technology is protected in Europe's larger countries as well as in China and the USA. Patents for technology in the proprietary needle have been approved in Europe, the USA and China. The company's various patents run until 2034 and additional patent applications have been filed.

Good results in clinical studies

The PULSE study (ClinicalTrials.gov ID: NCT03975855) shows that the system performs well when used in axillary lymph nodes. The patented pulse technology was considered to stabilize the target organ lymph node and improve needle control during insertion, and it was possible to obtain multiple samples with a single needle insertion.

Tomorrow's breast cancer biopsy

NeoDynamics' vision is that our pulse technology will become the new standard for all ultrasound-guided breast cancer biopsies, and that precision and reliability will be improved, thereby helping to save lives and improve the quality of life of all women with breast cancer.

"The NeoNavia® biopsy system can safely increase the precision of ultrasound-guided, technically difficult biopsies such as in the axillary lymph nodes."

Ref 1, Markets and Markets, September 2020 https://www.marketsandmarkets.com/Market-Reports/biopsy-devices-breast-biopsy-market-189011805.html Schässburger K, Paepke S. Po86. Novel pulse biopsy platform incorporating adaptive open-tip sampling needle increases sampling yield and needle control. European Journal of Surgical Oncology. 2021;47(5). doi:10.1016/j.ejso.2021.03.090.