SPAGO NANOMEDICAL AB

Year-end report

January- December 2023

First cancer patient dosed with Tumorad®

OCTOBER – DECEMBER IN BRIEF

- Net sales for the quarter amounted to KSEK 731 (KSEK 142)
- The loss for the quarter amounted to KSEK –9,417 (KSEK -12,616)
- Operating expenses for the quarter amounted to KSEK -12,060 (KSEK -13,335)
- Earnings per share, before and after dilution, for the quarter amounted to SEK -0.08 (SEK -0.14)
- Cash and cash equivalents at the end of the quarter amounted to KSEK 45,217 (KSEK 62,101)

JANUARY – DECEMBER IN BRIEF

- Net sales for the year amounted to KSEK 1,203 (KSEK 1,054)
- The loss for the year amounted to KSEK –42,223 (KSEK -42,892)
- Operating expenses for the year amounted to KSEK -49,005 (KSEK -45,925)
- Earnings per share, before and after dilution, for the year amounted to SEK -0.43 (SEK -0.67)

SIGNIFICANT EVENTS DURING THE QUARTER

- The first cancer patient was successfully dosed in the phase I/IIa clinical study Tumorad-01 with the drug candidate in the radionuclide therapy program Tumorad, ^{177}Lu-SN201. The study is being conducted on patients with advanced cancer. Initial data regarding safety and biodistribution are expected to be reported in the first half of 2024.
- The analysis of data from the phase IIa clinical study SPAGOPIX-02 with the contrast agent pegfosimer manganese (formerly SN132D) confirms that the primary endpoint of measuring the MRI enhancing effect in endometriotic lesions was met, with an overall acceptable safety profile.
- Four new patent applications have been filed with the European Patent Office (EPO) to expand the patent protection for Tumorad. If granted, Tumorad will receive protection in all strategically key markets, including the EU, US and Japan, until at least 2042.
- The company received approximately MSEK 26 after issuance costs in the rights issue, in which the subscription period expired on November 23. The net proceeds are intended to be used for the continued development of Tumorad, including the inclusion of patients and the summation of initial results in the first clinical study with Tumorad in cancer patients. Full allocation and registration with the Swedish Companies Registration Office was completed after the required approvals were obtained from the Inspectorate for Strategic Products (*Sw*: Inspektionen för strategiska produkter, "ISP").

OTHER

- The Board of Directors proposes that no dividend is paid for the financial year 2023.

Unless otherwise stated, this Interim report refers to the group. Figures in parentheses refer to the parent company and to the corresponding period last year. No operations were conducted in the subsidiary during the financial year 2022, which is why comparative figures for the group are missing.

The company has, per year-end, 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.

CEO STATEMENT

The fourth quarter was successful with several important milestones achieved. At the beginning of the quarter, we received the approval to start our first clinical study within the Tumorad program in Australia, and in December we announced the dosing of the first patient. At the end of the quarter, we also announced progress in our second clinical program SpagoPix with positive Phase IIa data with pegfosimer manganese in patients with endometriosis. To ensure optimal progress of our clinical programs, we carried out a fully guaranteed rights issue during the quarter that provided the company with approximately SEK 30.6 million before issue costs.

The need for new, more effective methods to treat metastatic and aggressive cancer is still significant, as evidenced by the steadily increasing interest in radionuclide therapies among major pharmaceutical companies and specialist investors. According to a survey by analyst firm GlobalData, transactions in the field have increased significantly in recent years. The total value of venture capital deals in radiopharmaceuticals has increased by 550% between 2017 and 2023, from USD 63 million to USD 408 million. Several major transactions in 2023 have contributed to a significant increase in attention to the field. In the fall, for example, Eli Lilly invested USD 175 million in Mariana Oncology's preclinical project MC-339 for small cell lung cancer, and at the end of December they acquired all shares in the radiopharmaceutical company Point Biopharma for approximately USD 1.4 billion. Another example is Bristol Myers Squibb, which has previously invested in the field. At the end of December, Bristol Myers Squibb announced that it was acquiring the company RayzeBio and its radiopharmaceutical platform for approximately USD 4.1 billion.

We at Spago Nanomedical are also experiencing greater interest in our development programs, especially in Tumorad with the drug candidate ^{177}Lu -SN201, which has now entered the clinical development phase. In mid-October, we received approval to start our first clinical study, Tumorad-01, in patients with advanced cancer. Patient recruitment started immediately and in early December the first cancer patient was successfully treated with the initial dose.

Tumorad-01 is a Phase I/IIa study with the primary objective to evaluate the safety, tolerability, dosimetry and initial efficacy of ^{177}Lu-SN201 in cancer patients with the goal of identifying a potential therapeutic dose for further studies. With a study design that enables continuous data reporting, we expect initial safety and biodistribution data from the Phase I part of the study already in the first half of 2024. This data will be of great importance as it can give an indication of the product's usefulness in the treatment of cancer patients.

We have also seen a significant increase in interest in our second development program, SpagoPix, after we reported positive topline data in December from the clinical Phase IIa study SPAGOPIX-02 with the contrast agent pegfosimer manganese, formerly known as SN132D. The study was an open-label proof-of-concept study with the primary objective of evaluating contrast enhancement in patients with endometriosis. Analysis of the study data showed that contrast enhancement could be observed in the majority of lesions confirmed by ultrasound, and that the primary endpoint had thus been reached. The results show the potential of pegfosimer manganese in medical imaging of endometriosis lesions and enable further evaluation in the next step.

We also see an increasing interest in women's health in general, and endometriosis specifically, among pharmaceutical companies. Women suffering from endometriosis are a severely under-diagnosed and under-treated patient group and the need for improvement is very high. This interest was clearly evident during the annual J.P. Morgan Health Care conference in January in San Francisco which we attended. We enjoyed several fruitful meetings with potential future partners.

In December, we also announced that the fully guaranteed new share issue was completed and that the company received a total of approximately SEK 30.6 million before issue costs. I am very humbled and pleased with the confidence that existing and new owners have shown the company. With secured financing, we are taking the Tumorad program further into clinical development. We continue the important work of giving more cancer patients the opportunity to be treated with effective radionuclide therapy and to create value for our shareholders.

With Spago Nanomedical now fully in clinical development, I look forward to another eventful year.

Mats Hansen, CEO Spago Nanomedical AB

" At the beginning of the quarter, we received the approval to start our first clinical study within the Tumorad program in Australia, and in December we announced the dosing of the first patient."

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 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.

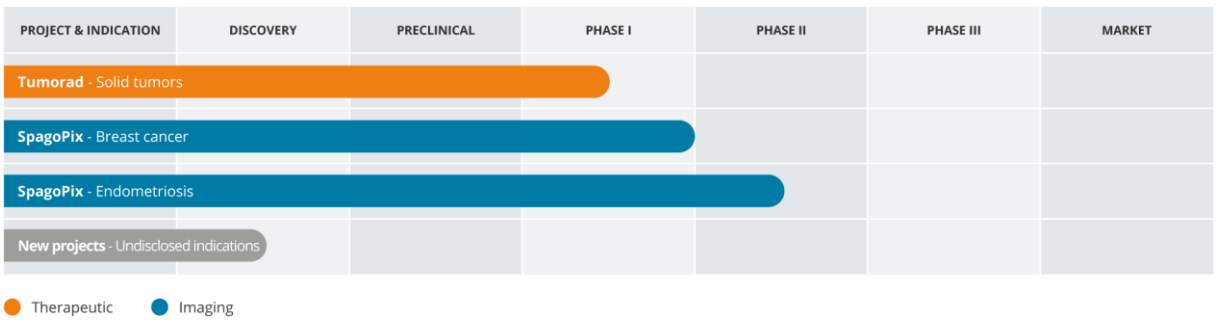
The company's operations are based on a patented material for the design of functional nanoparticles that accumulate physiologically in tumors, thus enabling higher precision in image diagnostics and treatment of cancer and other severe diseases. With the development programs Tumorad and SpagoPix, Spago 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.

Tumorad®

The Tumorad development program aims to develop new radiopharmaceuticals for radionuclide therapy against aggressive cancer. Preclinical results show that the drug candidate 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 was initiated in the fourth quarter to evaluate safety, tolerability, biodistribution and initial efficacy of ^{177}Lu-SN20. See further under "Program - Tumorad".

SpagoPix

The SpagoPix development program aims to improve the precision of MRI scans for suspected cancer and other serious diseases 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 manganes, 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".



PROGRAM - TUMORAD

BACKGROUND AND MARKET

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 approval of new generations of radioactive drugs, radiopharmaceuticals, 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 are loaded with radioactive isotopes that enables internal radiation therapy of aggressive cancer with high precision. Tumorad may therefore provide the opportunity to treat cancer that cannot be treated with other types of radiopharmaceuticals.

Despite important advances and new cancer 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. Internal radiation therapy, is a valuable alternative or complement to existing treatment. 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 "Enhanced Permeability and Retention (EPR) effect"[1]. The mechanism of action gives Tumorad the opportunity to treat different types of solid tumors and thus potentially has a significantly higher market value.

Interest in RNT is very high and is shown not least by a number 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 in the clinical studies SPAGOPIX-01 and SPAGOPIX-02 shown that the material is safe to give to patients and that the mechanism for selective accumulation of the nanoparticle 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 on cancer tumors. This opens up for successful use of the Tumorad particles for the purpose of radionuclide treatment of cancer.

Extensive development and optimization work has previously resulted in the candidate drug, ^{177}Lu-SN201 provides the desired exposure to radioactivity in tumors, while minimizing the impact on other organs. Furthermore, preclinical efficacy studies have shown that ^{177}Lu-SN201 inhibits tumor growth and prolongs survival in a model for aggressive 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 dosimetry 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 has started and will include up to 30 patients and the company expects to receive an indication of safety and efficacy in patients early in the study. 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.

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

PROGRAM - SPAGOPIX

BACKGROUND

SpagoPix is a tumor-selective contrast agent with extraordinary signal strength and potential to significantly improve cancer diagnostics based on magnetic resonance imaging (MRI). Through better and more precise visualization of soft tissue tumors and other lesions, 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 scientifically well-established mechanism 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 cancer tissue and the healthy tissue, which creates the conditions for more optimally utilizing the potential of MRI. Pegfosimer manganese can provide the ability to detect tumors and other lesions with higher precision than is possible with today's contrast agents, thereby opening for earlier 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 tumors would increase the probability of a successful treatment and thus the patients' chance of better survival and quality of life. Pegfosimer manganese can also provide the opportunity for better imaging of other disease states where the EPR effect is pronounced, such as endometriosis, and thus open to earlier detection and more effective treatment even of this disease with a great medical need for improved imaging.

In addition to the good diagnostic properties, pegfosimer manganese is also free of the metal gadolinium, which in some patients has been linked to side effects and accumulation in the body, for example in the brain. There are also increasing signs that gadolinium can pose an environmental problem when it ends up in waste water. The authorities in all major markets have introduced bans and restrictions on the use of certain types of gadolinium contrast agents. Overall, the shortcomings of the MRI contrast agents used today constitute an obstacle to the wider use of MRI. Pegfosimer manganese is instead based on manganese, a naturally occurring element that is essential for many functions in the human body.

In summary, these properties make pegfosimer manganese a unique contrast agent with the potential to significantly improve the imaging of tumors and other lesions compared to conventional MRI contrast agents.

MARKET

In order to effectively demonstrate clinical proof of concept for the program and the company's platform technology, the development of the SpagoPix initially focuses on MRI examination of breast cancer, a disease that annually affects approximately 2.3 million people globally. Already today, MRI is a clinical practice with several different areas of application in cancer, and a gadolinium-free contrast agent with higher precision can both take market shares from existing preparations and increase its use further. Based on the mechanism of action of pegfosimer manganese, there is an opportunity to broaden the use further both in the field of cancer, in breast cancer and other forms of solid tumors such as pancreas, and in other diseases such as endometriosis. It is estimated that more than 176 million women of reproductive age are affected worldwide and endometriosis accounts for societal healthcare costs of a similar order as diseases such as type 2 diabetes or rheumatoid arthritis. Currently, the average time to diagnosis is 7 years and the clinical need for improved diagnostic technologies is high.

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

The clinical phase I study SPAGOPIX-01, with 14 patients with confirmed breast cancer included, showed that pegfosimer manganese gives a positive contrast in MRI images of breast cancer tumors in humans 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 tumors in humans. 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 8 patients with endometriosis. The analysis of MR-images from the SPAGOPIX-02 clinical study shows that the primary endpoint of measuring the MRI enhancing effect in endometriotic lesions that was identified by the treating gynaecologist 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, suggesting 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, together with promising interim data, which shows good contrast enhancement in tumors and target organs without background noise, the company is currently evaluating the positioning in cancer and other diseases to maximize the opportunity for partnership.

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.

FINANCIAL DEVELOPMENT

RESULTS

Operating expenses amounted to KSEK -12,060 (KSEK -13,335) for the quarter and KSEK -49,005 (KSEK -45,925) for the year. The operating costs during the year are primarily related to the production of material for the planned clinical phase I/IIa study in the Tumorad program as well as other clinic preparatory activities.

Total revenue amounted to KSEK 2,474 (KSEK 550) for the quarter and KSEK 5,931 (KSEK 2,765) for the year. The increase compared to the previous year relates mainly to the innovation support from the Australian authorities for the development activities that the company carried out during the year in Australia.

The operating result amounted to KSEK -9,586 (KSEK -12,785) for the quarter and KSEK -43,073 (KSEK -43,160) for the year. Earnings per share before and after dilution amounted to SEK -0.08 (SEK -0.14) for the quarter and SEK -0.43 (SEK -0.67) for the year.

INVESTMENTS AND FINANCIAL POSITION

At the end of the quarter, cash and cash equivalents amounted to KSEK 45,217 (KSEK 62,101).

Cash flow from operating activities amounted to KSEK -9,255 (KSEK -8,983) for the quarter and KSEK -45,062 (KSEK -41,882) for the year. The negative cash flow relates mainly to the clinic preparatory activities in the Tumorad program. Cash flow from investment activities amounted to KSEK -253 (KSEK 0) for the quarter and KSEK -353 (KSEK -134) for the year. Cash flow from financing activities amounted to KSEK 28,751 (KSEK -150) for the quarter and KSEK 28,530 (KSEK 51,657) for the year. The net proceeds from the rights issue, in which the subscription period expired on November 23, 2023, was received during the fourth quarter.

At the end of the quarter, the company's equity amounted to KSEK 41,317 (KSEK 57,299) and the equity ratio to 78.0 percent (86.7 percent). Equity per share, before dilution, amounted to SEK 0.19 (SEK 0.63).

SHARES AND SHARE CAPITAL

The number of registered shares as of December 31, 2023 amounted to 188,593,787 and the number of warrants of series TO12 amounted to 96,407,878. Registration of further 30,913,334 shares and warrants were done in January 2024, after required approvals were obtained from ISP.

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.

Since 2021 the share has been traded on the Nasdaq First North Growth Market, with the ticker SPAGO. The company then changed trading venue from Spotlight Stock Market, where it has been listed since the end of 2012. By the end of the quarter, the share's quota value amounted to SEK 0.10, whereby the share capital amounted to SEK 18,859,378.70. The number of shareholders at the end of the period were 2,803. 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 PARENT COMPANY

The parent company's result amounted to KSEK -42,252 (KSEK -42,892) for the year. In December 2022, the company started a fully owned Australian subsidiary, Spago Nanomedical AU Pty Ltd (45 664 495 283), in order to take advantage of the innovation support and research and development opportunities available in the region. Shares in group companies are continuously written down to net booked value in the subsidiary Spago Nanomedical AU Pty Ltd.

Unless otherwise stated, this Interim report refers to the Group. Figures in parentheses refer to the parent company and to the corresponding period last year. No operations were conducted in the subsidiary during the financial year 2022, which is why comparative figures for the group are missing.

The company has, per year-end, 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.

INCOME STATEMENT

Amounts in KSEK	Note	Group Oct-Dec 2023	Parent Oct-Dec 2022	Group Jan-Dec 2023	Parent Jan-Dec 2022
Income					
Net sales		731	142	1 203	1 054
Other operating income		1 743	408	4 728	1 711
Total income	1	**2 474**	**550**	**5 931**	**2 765**
Operating costs					
Project costs		-6 230	-7 022	-24 486	-20 353
Other external costs		-1 737	-1 946	-7 958	-8 071
Personnel costs		-3 925	-4 242	-15 711	-16 765
Depreciation/amortization of fixed assets		-76	-82	-281	-356
Other operating costs		-92	-42	-568	-380
Total operating costs		**-12 060**	**-13 335**	**-49 005**	**-45 925**
OPERATING RESULT		**-9 586**	**-12 785**	**-43 073**	**-43 160**
Financial items					
Interest income and similar items		169	169	850	268
Total financial items		**169**	**169**	**850**	**268**
RESULT AFTER FINANCIAL ITEMS		**-9 417**	**-12 616**	**-42 223**	**-42 892**
PROFIT/LOSS FOR THE PERIOD		**-9 417**	**-12 616**	**-42 223**	**-42 892**

BALANCE SHEET

Amounts in KSEK	Note	Group 31 Dec 2023	Parent 31 Dec 2022
ASSETS			
NON-CURRENT ASSETS	1		
Tangible assets			
Equipment, tools, fixtures and fittings		925	853
Financial assets			
Other long-term receivables		96	96
Total non-current assets		**1 078**	**853**
CURRENT ASSETS			
Accounts receivables		370	49
Other current assets		990	662
Prepaid expenses and accrued income		5 331	2 431
Cash and cash equivalents		45 217	62 101
Total current assets		**51 907**	**65 243**
TOTAL ASSETS		**52 985**	**66 096**
EQUITY AND LIABILITIES			
Equity			
Equity	1	41 317	57 299
Total eqiuty		**41 317**	**57 299**
Provisions			
Provisions for pensions		153	0
Other provision		38	0
Total provisions		**191**	**0**
Current liabilities			
Accounts payables		6 391	4 725
Other current liabilities		448	494
Accrued expenses and deferred income		4 638	3 577
Total current liabilities		**11 477**	**8 797**
TOTAL EQUITY AND LIABILITIES		**52 985**	**66 096**

STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Not reg. capital	Dev. fund	Other contributed capital	Translation difference	Other equity incl. profit/loss	Total equity
Opening balance Jan 1, 2022	**41 182**	**0**	**84 418**	**255 366**	**0**	**-196 155**	**184 812**
Change of accounting principle			-84 418			-51 744	**-136 162**
Adjusted opening balance Jan 1, 2022	**41 182**	**0**	**0**	**255 366**	**0**	**-247 899**	**48 650**
Share issue	49 761			9 952			**59 713**
Issuance costs				-8 172			**-8 172**
Profit/loss						-42 892	**-42 892**
Closing balance Dec 31, 2022	**90 944**	**0**	**0**	**257 146**	**0**	**-290 790**	**57 299**
Opening balance, Jan 1, 2023	**90 944**	**0**	**0**	**257 146**	**0**	**-290 790**	**57 299**
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					-29		**-29**
Profit/loss						-42 223	**-42 223**
Closing balance Dec 31, 2023	**18 859**	**3 091**	**0**	**270 559**	**-29**	**-251 164**	**41 317**

CASHFLOW STATEMENT IN SUMMARY

Amounts in KSEK	Group Oct-Dec 2023	Parent Oct-Dec 2022	Group Jan-Dec 2023	Parent Jan-Dec 2022
Cash flow from operating activities and before changes in working capital	**-8 658**	**-12 435**	**-41 904**	**-42 536**
Changes in working capital	-597	3 453	-3 158	654
Cash flow from operating activities	**-9 255**	**-8 983**	**-45 062**	**-41 882**
Cash flow from investing activities	-253	0	-353	-134
Cash flow from financing activities	28 751	-150	28 530	51 657
Cash flow for the period	**19 243**	**-9 133**	**-16 884**	**9 641**
Cash and cash equivalents at the beginning of the period	25 974	71 234	62 101	52 460
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**45 217**	**62 101**	**45 217**	**62 101**

DATA PER SHARE

	Group Oct-Dec 2023	Parent Oct-Dec 2022	Group Jan-Dec 2023	Parent Jan-Dec 2022
Earnings per share, before and after dilution, SEK	-0.08	-0.14	-0.43	-0.67
Equity per share, before dilution, SEK	0.19	0.63	0.19	0.63
Average number of shares before dilution[1]	118 851 782	90 943 723	97 978 083	63 810 559
Average number of shares after dilution[1]	146 530 306	91 075 929	104 954 588	64 173 887
Number of shares at the end of the period[1]	219 507 121	90 943 723	219 507 121	90 943 723

OTHER KEY FIGURES

	Group Oct-Dec 2023	Parent Oct-Dec 2022	Group Jan-Dec 2023	Parent Jan-Dec 2022
Average number of employees	12	15	13	15
Equity ratio, %	78.0	86.7	78.0	86.7

[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.

PARENT COMPANY - INCOME STATEMENT IN SUMMARY

Amounts in KSEK	Note	jan-dec 2023	jan-dec 2022
Income	1	4 634	2 765
Operating costs		-42 402	-45 925
Financial items		-4 484	268
- whereof impairment of financial assets		-5 329	0
PROFIT/LOSS FOR THE PERIOD		**-42 252**	**-42 892**

PARENT COMPANY - BALANCE SHEET IN SUMMARY

Belopp i KSEK	Note	31 dec 2022	31 dec 2022
Tangible assets	1	4 055	853
Financial assets		45 257	65 243
- whereof cash and cash equivalents		42 757	62 101
TOTAL ASSETS		**49 312**	**66 096**
		0	0
Equity		41 317	57 299
Provisions		191	0
Current liabilities		7 804	8 797
TOTAL EQUITY AND LIABILITIES		**49 312**	**66 096**

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 parent company and 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, 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 is made to adapt the company's accounting principles to industry practice and is 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			Oct-Dec 2023		
Amounts in KSEK	w/o change of accounting principle	Adjustment	with change of accounting principle	w/o change of accounting principle	Adjustment	with change of accounting principle
Income	10 891	-4 959	5 931	4 015	-1 541	2 474
PROFIT/LOSS FOR THE PERIOD	**-37 263**	**-4 959**	**-42 223**	**-7 876**	**-1 541**	**-9 417**

	Jan-Dec 2022			Oct-Dec 2022		
Amounts in KSEK	w/o change of accounting principle	Adjustment	with change of accounting principle	w/o change of accounting principle	Adjustment	with change of accounting principle
Income	6 460	-3 695	2 765	2 008	-1 458	550
PROFIT/LOSS FOR THE PERIOD	**-39 197**	**-3 695**	**-42 892**	**-11 158**	**-1 458**	**-12 616**

EFFECTS IN THE BALANCE SHEET

	31 Dec 2023			31 Dec 2022		
Amounts in KSEK	w/o change of accounting principle	Adjustment	with change of accounting principle	w/o change of accounting principle	Adjustment	with change of accounting principle
Intangible assets	144 816	-144 816	0	139 857	-139 857	0
TOTAL ASSETS	**197 801**	**-144 816**	**52 985**	**205 953**	**-139 857**	**66 096**
EQUITY	186 133	-144 816	41 317	197 156	-139 857	57 299
TOTAL EQUITY AND LIABILITIES	**197 801**	**-144 816**	**52 985**	**205 953**	**-139 857**	**66 096**

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 February 7, 2024

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

Hans Arwidsson
Chairman of the board

Kari Grønås

Alan Raffensperger

Nicklas Westerholm

Mats Hansen
CEO