



Neola Medical

Q1 report 2025

Published May 21, 2025

“Strengthened by institutional investor confidence and with the first baby successfully included in our clinical study, we move forward with continued strength into the next phase of our clinical development.”

CEO Hanna Sjöström

Strengthened shareholder base with institutional investors ahead of clinical study start

First quarter, January-March 2025

- Approval to initiate first clinical pilot study on preterm born babies received from the Swedish Medical Products Agency (Läkemedelsverket) and the Swedish Ethical Review Authority (Etikprövningsmyndigheten).
- Signed agreement with Södra Älvsborgs Sjukhus in Borås to initiate clinical pilot study on preterm born babies.
- Completed directed share issue of approximately SEK 20 million before rights issue costs, welcoming two new institutional investors complementing a strong shareholder base.
- Strengthened IP portfolio with patent grant in China, marking a new patent family that reinforce the protection of our core medical technology for non-invasive lung monitoring and detection of pulmonary complications.

Summary

Operating income: SEK 0k (0)

Operating result: SEK -2 712k (-2 568)

The period's cash flow: SEK 13 110k (13 568)

Result per share: -0,04 SEK (-0,04)



CEO comments



Hanna Sjöström, CEO

The first quarter of 2025 has been both clinically and strategically important for Neola Medical. Most notably, we strengthened our financial position through a successful directed share issue of approximately SEK 20 million, conducted via an accelerated bookbuilding procedure by Svenska Handelsbanken AB. We are pleased to welcome new institutional investors Cicero Fonder and Adrigo Fonder, alongside continued support from existing shareholders, including main shareholder Anmiro AB.

Having institutional investors complement our already strong shareholder base is an important milestone that reflects the long-term confidence in Neola Medical and our ambition to deliver sustainable value.

During the quarter, we also reached a major clinical milestone: the first baby has now been successfully included in our ongoing clinical pilot study in Sweden. This marks the very first time Neola® has been monitoring the lungs of a baby in a real-world neonatal intensive care setting. The study, initiated following regulatory approval from Swedish authorities, represents a significant step forward in validating our technology in its target patient group. This is particularly important, as preterm born babies' lung physiology and medical needs differ substantially from those of full-term newborns. The insights gained from this study can contribute additional input as we continue refining Neola® and preparing for our pivotal clinical study in the U.S.,

which will be instrumental in supporting the planned FDA application for market approval.

Our international IP portfolio was further strengthened with corresponding patent grants in both Europe and China, two key strategic markets. These approvals, within a new patent family, reinforce the protection of our core medical technology for non-invasive lung monitoring and detection of pulmonary complications. A strong and expanding IP position remains central to sharpen our competitive edge as we advance through clinical development and securing future value.

Additionally, we are honored to have been named one of eight finalists for the Pioneer Prize, Sweden's new global innovation award, presented at the World Expo 2025 in Osaka, Japan, in conjunction with the official Swedish delegation. This recognition underscores the international relevance of our innovation and contributes to our long-term ambition of improving neonatal care globally.

We look forward to the year ahead and the next steps in our journey to advance neonatal care. Thank you to all shareholders and partners for your continued trust and support.

Hanna Sjöström



Significant events

During the quarter

- Neola Medical received approval by Swedish Authorities to initiate a Clinical Pilot Study on Preterm Born Babies in Sweden.
- A new patent family was granted in China, that strengthens the protection of the company's fundamental concept of measuring gases in body cavities using gas absorption spectroscopy for continuous lung monitoring.
- Neola Medical completed a directed share issue of approximately SEK 20 million, before right issue costs, led by Svenska Handelsbanken AB and subscribed for by institutional investors Cicero Fonder and Adrigo Fonder, as well as a number of existing larger shareholders, including Anmiro AB.
- The company signed an agreement with Södra Älvsborgs Sjukhus in Borås to Initiate the Clinical Pilot Study on Preterm Born Babies.

After the quarter

- Neola Medical was named finalist for Sweden's new global innovation award "Pioneer Prize" at World Expo 2025 in Osaka, Japan.
- Neola Medical was granted a European patent for continuous lung monitoring, the second validation within the new patent family, following the Chinese patent granted during the first quarter.
- The first patient was enrolled in Clinical Pilot Study with Neola® on Preterm Born Babies.



The Company

Neola Medical, founded in 2016, is based on years of research at Lund University and addresses the global market for neonatal intensive care with an innovative medical device called Neola®, the Neonatal Lung Analyzer. This device is based on patented technology for the continuous monitoring of the lungs in preterm born babies.

Neola Medical's headquarters is located at IDEON Gateway, Scheelevägen 27 in Lund, Sweden. In addition to the headquarters in Lund, the Company has a U.S. office at Nordic Innovation House in Palo Alto, Silicon Valley, USA.

Business concept

Neola Medical's business concept is to develop and sell the Company's product for continuous lung monitoring, providing instant detection of respiratory complications to neonatal intensive care units globally, with a primary focus on the U.S. market.

Vision

The Company's vision is for preterm born babies to

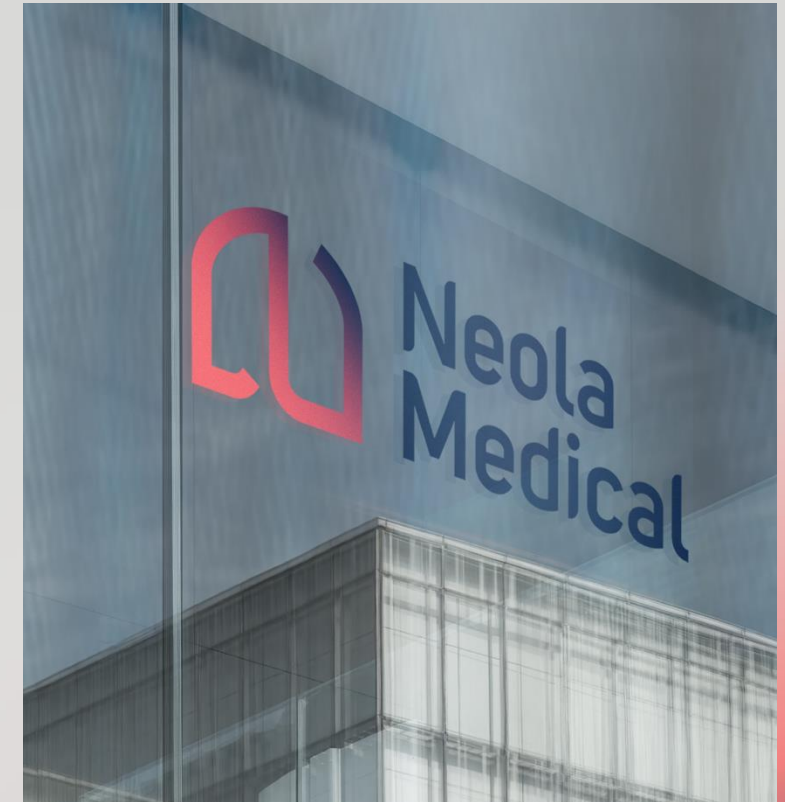
have a better start in life. By providing neonatal intensive care units with the medical device Neola®, which enables continuous monitoring of the lungs of preterm born babies with direct detection of complications, the Company aims to enhance the care of these vulnerable children and potentially save lives.

Goal

The Company's overarching objective is to create a new market for non-invasive continuous lung monitoring in neonatal intensive care and to be present in the leading neonatal intensive care units globally. The Company's financial goal is to achieve a positive operating profit three years after commercial launch.

Business model

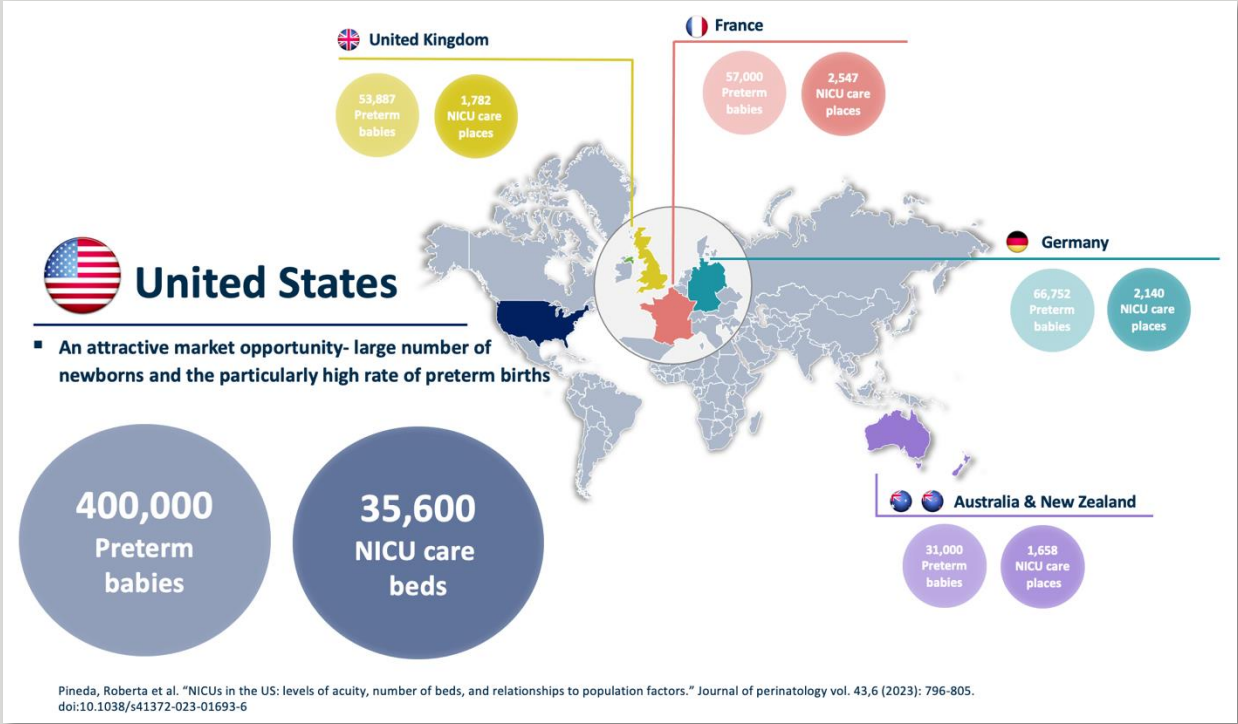
The Company's business model ensures recurring revenue by requiring a Neola® device for a significant proportion of the beds in the neonatal intensive care clinic, with the probes used for monitoring being disposables that are replaced daily on the baby.



Market

A highly significant and growing global market

Neola® will be introduced to the global market for respiratory equipment focused on neonatal intensive care, which was valued at USD 1.7 billion in 2022. The market is projected to expand with a compound annual growth rate (CAGR) of 5.9% from 2022 to 2032, reaching USD 3 billion by 2030.



The patients

Today, one in ten babies is born preterm, many of whom require intensive care to survive the first days due to underdeveloped lungs. Current methods for monitoring preterm born babies only provide a snapshot of their condition, and complications are detected only after severe physical symptoms have appeared. Neola® addresses a clear and significant clinical need for a continuous monitoring method. Neola® may result in better care, fewer days in intensive care, and ultimately, reduced morbidity and mortality in preterm born babies.



New precision care upgrading current standard of care

Neola® aims to offer:



- 01 Faster detection of pulmonary complications preventing further major morbidities
- 02 Decreased number of days in the expensive neonatal intensive care unit
- 03 Decreased time for visual observation by nurses



A newborn baby is lying down, wearing a light purple hospital gown. A close-up of an adult's hand is shown holding the baby's foot. The background is a solid teal color.

Financial information



Financial summary

	2025-01-01 -2025-03-31	2024-01-01 -2024-03-31	2024-01-01 2024-12-31
	3 mos	3 mos	12 mos
Neola Medical, summary			
Operating revenue (SEK k)	2 162	3 448	10 392
EBIT (SEK k)	-2 712	-2 568	-10 797
Cashflow for the period (SEK k)	13 110	13 568	-2 022
Cash and cash equivalents (SEK k)	32 665	35 145	19 555
Equity per share before dilution (SEK)	1,08	1,09	0,98
Equity ratio (%)	95	92	94
Total assets (SEK k)	88 900	83 074	73 612
Quick ratio (%)	725	628	453
Average amount of shares before dilution (no.)*	71 363 567	70 150 234	70 150 234
Result per share before dilution (SEK)	-0,04	-0,04	-0,14
Amount of shares by the end of the period (no.)	77 950 234	70 150 234	70 150 234

* 3 654 000 warrants in ongoing programs may give a total dilution of 4.7%



Financial progress January – March 2025

Revenues and results of operations

For the period January to March, operating revenues amounted to SEK 2.162 thousand (SEK 3.348 thousand). As in previous periods, the Company's revenues primarily consisted of capitalized own work. Neola Medical capitalizes expenses for its development projects, as well as for patents, licenses, and similar intangible assets. The capitalization of development work amounted to SEK 2.147 thousand (SEK 3.347 thousand).

Operating expenses for the period January to March amounted to SEK 4.874 thousand (SEK 6.016 thousand). In addition to costs directly attributable to the Company's product development, expenses also included financial and legal advisory services related to legal agreements, stock exchange costs, public reporting, as well as investor relations activities and communication.

The operating result amounted to SEK –2.712 thousand (SEK –2.568 thousand). The Company maintains stability on the cost side with a burn rate according to plan. Neola Medical continues its work focusing on preparation for clinical studies, and other activities aimed at the certification and market approval of Neola®.

The Company's burn rate averaged SEK –1.624 thousand (SEK –2.005 thousand) per month during the period and is expected to increase with the acceleration of clinical validation over the coming years.

Preparations for a commercial structure are also expected to impact the cost base going forward. The result after tax amounted to SEK –2.641 thousand (SEK –2.321 thousand), and the earnings per share were SEK -0,04 (SEK -0,04) for the period January to March.

Cash flow and investments

The total cash flow for the period January to March amounted to SEK 13.110 thousand (SEK 13.568 thousand). The cash flow from investing activities alone amounted to SEK –2.671 thousand (SEK –3.889 thousand) and consisted of investments in intangible assets such as capitalized development work, concessions, patents, and similar rights. The inflow of proceeds from new share issues at the beginning of the period increased the cash balance by SEK 17.886 thousand after deducting issuance costs. Cash and cash equivalents at the end of the period amounted to SEK 32.665 thousand (SEK 35.145 thousand).

Financial position and balance sheet

As of March 31, 2025, the equity ratio was 95% (92%), and own capital amounted to SEK 84.208 thousand (SEK 76.637 thousand). The Company was free from interest-bearing debt as of the balance sheet date. Intangible assets amounted to SEK 54.605 thousand (SEK 46.009 thousand).



Risks and uncertainties

Macroeconomic and Geopolitical Risks

The geopolitical developments currently have no direct impact on the Company's operations. However, the Company closely monitors the global situation and continuously analyzes potential risks and consequences that may affect the operations.

Clinical trials and regulatory approvals

All medical devices developed for market release must undergo a comprehensive registration process with the relevant authority in each individual market. This process includes, where applicable, requirements for preclinical development, clinical trials, registration, approval, marketing, manufacturing, and distribution of new medical devices. Changes in the regulatory landscape for each individual market may affect the company's regulatory process. Clinical studies may necessitate further optimization and refinement of Neola®, which could impact the overall timeline. Failure to meet existing or future requirements may necessitate additional clinical studies, product recalls, and may prevent registration approval.

Neola Medical plans to submit documentation for FDA approval and CE marking for Neola® by 2026, respectively, with approvals expected in 2026/2027. The Company relies on these approvals for commercial launch. Therefore, the Company needs a functioning capital market to finance product development until this milestone is reached.

Dependence on expertise and key personnel

The Company depends on specialist expertise and key personnel. Loss of such expertise and key individuals could impede the Company's development.

Intellectual property rights

The Company's intellectual property rights are protected through patents, patent applications, agreements, and legislation safeguarding trade secrets. Infringement of the Company's intellectual property rights could harm its operations. Furthermore, patent protection for biomedical and biotechnological companies is uncertain and involves complex legal and technical issues. There is a risk that patents will not be granted for patent-pending inventions and that granted patents will not provide sufficient protection. Additionally, not all developments and technologies can be patented.

Financing and conditions for continued operations

The Company conducts capital-intensive research and development activities. To date, the Company has financed its operations through equity via new share issues and shareholder contributions. The Company's activities may require additional external financing before generating revenue, and it cannot be guaranteed that the Company will secure the necessary capital. If, for any reason, the Company is unable to continue its operations, this could affect the Company's ability to realize the reported values of its assets, particularly concerning capitalized development costs and patents, which are based on and dependent upon the conditions for continued operations.



Accounting principles and judgements

Accounting Principles

Neola Medical applies the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 (K3) in the preparation of its financial reports. The applied accounting principles remain unchanged from those used in the Annual report of 2024. For further information, refer to the Group's Annual report of 2024.

Estimates and Judgments

In preparing the financial reports, the Board of Directors and management make judgments and assumptions that affect the Group's results and financial position, as well as the information provided otherwise. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events deemed reasonable under current circumstances. Actual outcomes may differ from these estimates. The areas where estimates and assumptions could involve significant risks of adjustments to the reported values of results and financial positions in future reporting periods mainly pertain to judgments about market conditions and, consequently, the value of the Group's fixed assets.

Since the operations of the subsidiary Neola Medical, Inc. in Delaware USA, is considered to be insignificant in scope, no consolidated financial statements are prepared.



Financial reports in summary

	2025-01-01 -2025-03-31	2024-01-01 -2024-03-31	2024-01-01 2024-12-31
Profit and loss statement, (SEK k)	3 mos	3 mos	12 mos
Operating income	0	0	0
Capitalized own work	2 147	3 437	10 065
Other operating income	15	11	327
Operating revenue	2 162	3 448	10 392
Raw materials and consumables	-98	-762	-1 369
Other external costs	-1 959	-2 562	-8 883
Personnel costs	-2 473	-2 286	-9 348
Depreciation	-344	-399	-1 527
Other operating expenses	0	-6	-62
Operating result	-2 712	-2 568	-10 797
Financial income and expenses	71	247	733
Result before tax	-2 641	-2 321	-10 064
Tax on result for the period	0	0	0
Result for the period	-2 641	-2 321	-10 064



Financial reports in summary

Balance sheet, (SEK k)

Assets

	2025-03-31	2024-03-31	2024-12-31
Non-current assets			
Intangible assets	54 605	46 009	52 368
Tangible assets	192	116	202
Financial assets	100	0	0
Sum non-current assets	54 897	46 124	52 570
Current assets			
Inventory	0	0	83
Short-term receivables	1 338	1 805	1 404
Cash and bank balances	32 665	35 145	19 555
Sum current assets	34 003	36 950	21 042
Sum assets	88 900	83 074	73 612

Balance sheet, (SEK k)

Equity and liabilities

	2025-03-31	2024-03-31	2024-12-31
Equity			
Equity	84 208	76 637	68 963
Sum equity	84 208	76 637	68 963
Liabilities			
Long-term liabilities	0	556	0
Accrued expenses and deferred income	1 898	2 121	1 997
Other current liabilities	2 794	3 760	2 652
Sum liabilities	4 692	6 437	4 649
Sum equity and liabilities	88 900	83 074	73 612



Financial reports in summary

	2025-01-01 -2025-03-31	2024-01-01 -2024-03-31	2024-01-01 2024-12-31
Changes in own capital, (SEK k)	3 mos	3 mos	12 mos
Own capital at beginning of period	68 963	79 028	79 028
New share issues and subscribed share capital	19 500	0	0
Issuance costs	-1 614	-69	-69
Issued subscription warrants	0	0	68
Other adjustments and provisions	0	0	0
Result for the period	-2 641	-2 321	-10 064
Own capital at end of period	84 208	76 637	68 963

	2025-01-01 -2025-03-31	2024-01-01 -2024-03-31	2024-01-01 2024-12-31
Cash flow, (SEK k)	3 mos	3 mos	12 mos
Cash flow from operating activities before changes in working capital	-2 297	-1 996	-8 538
Changes in working capital	192	-478	-2 300
Cash flow from operating activities	-2 105	-2 474	-10 837
Cash flow from investing activities	-2 671	-3 889	-11 184
Cash flow from financing activities	17 886	19 931	19 999
Cash flow for the period	13 110	13 568	-2 022
Cash and cash equivalents at the beginning of the period	19 555	21 578	21 578
Cash and cash equivalents at the end of the period	32 665	35 145	19 555



About the share

Share capital, shareholders and the share 2025-03-31

As of March 31st, 2025, Neola Medical’s share capital was 5 567 896,30 SEK with a total of 77 950 234 shares. All shares are of the same type, have an equal right to a share in the Company’s assets and profits and have the same voting value. Neola Medical had 1 574 owners by the end of the quarter.

Neola Medical’s share is listed at Nasdaq First North Growth Market Stockholm under the name NEOLA since October 2, 2020.

Shareholders 2025-03-31 (Top 10)	Amount of shares	Percentage of capital	Percentage of votes
ANMIRO AB	18 447 246	23,7%	23,7%
Pär Josefsson	16 737 411	21,5%	21,5%
Brodvik AB	8 576 566	11,0%	11,0%
LMK-bolagen & Stiftelse	8 300 360	10,6%	10,6%
Cicero Fonder (Aktiespararna Småbolag Edge)	3 700 000	4,7%	4,7%
Bengt Nevsten	2 362 914	3,0%	3,0%
Adrigo Small & Midcap	1 160 000	1,5%	1,5%
Avanza Pension	962 229	1,2%	1,2%
Hans Ove Sven Åhlén	658 066	0,8%	0,8%
Magnus Kenneby	625 000	0,8%	0,8%
Other shareholders	16 420 442	21,1%	21,1%
Total	77 950 234	100,0%	100,0%

* SEB Life International have 3,9% voting rights through Pär Josefssons shares

Financial calendar and contact

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May 2025
Q1 report 2025 and
Annual General
Assembly in Lund

25
Aug 2025
Q2 report 2025

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Nov 2025
Q3 report 2025

12
Feb 2026
Q4 report 2025

Financial reports

Financial reports are available at www.neolamedical.com

Investor letter

Neola Medical publishes investor letters several times a year at www.neolamedical.com

Certified Adviser

FNCA AB is Neola Medical’s Certified Adviser.
E-mail: info@fnca.se

Questions about the report is answered by:

Hanna Sjöström, CEO
E-mail: hanna.sjostrom@neolamedical.com

David Folkesson, CFO

E-mail: david.folkesson@neolamedical.com

Lund May 21, 2025
The Board



Märta Lewander Xu



Tommy Hedberg



Urban Ottosson



Monica Alfaro
Welling



Mattias Lundin

This report has not been subject to review by the company’s auditors.



Investment highlights



1 Large and growing addressable market

2 Great clinical need and demand

3 Attractive business model

4 Proven technology

5 Highly experienced team



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