spago NANOMEDICAL

ANNUAL REPORT

Spago Nanomedical AB (publ)

2023

Nanomedicine for **treatment and diagnostics** of cancers and other severe diseases

An introduction to Spago Nanomedical AB

TECHNOLOGY

First of its kind of clinically validated functional nanoparticles optimized for physiologic accumulation in tumors. Potential for wide use as an anti-cancer drug and for imaging diagnostics.

EVIDENCE

Clinical results confirm the physiological accumulation of Spago Nanomedical's functional nanoparticles in solid tumors and deep endometriosis in humans, a cornerstone of the platform technology.

TEAM

Flexible and cost-effective organization with many years of experience in life science and specialist competence in nanomedicine, drug development and commercialization.

spago NANOMEDICAL

DEVELOPMENT PROGRAMS IN CLINICAL PHASE

Tumorad® - radionuclide therapy for treatment of advanced and metastatic cancer.
SpagoPix - contrast agent for improved precision in MRI of endometrios and cancer.

MARKET

Patients in need of effective treatment or better precision in magnetic resonance imaging (MRI) diagnostics in cancer and endometriosis.

BUSINESS MODEL

Optimized development of nanomedicine drugs for treatment and diagnostics, addressing clinical and commercial needs. Revenue based on license or partnership agreements.

Contents

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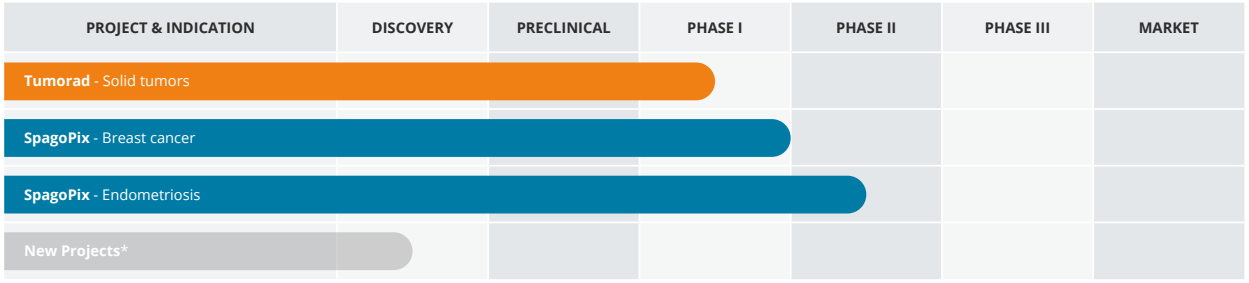
Spago Nanomedical AB (publ) is a Swedish clinical phase company, developing products for treatment and imaging diagnostics of cancer and other severe diseases. Spago Nanomedical´s share is listed on Nasdaq First North Growth Market (ticker: SPAGO).

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

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

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

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



Significant events

During 2023

Scientific paper with positive preclinical data with Tumorad®
The paper, titled ”Characterization and Efficacy of a Nanomedical Radiopharmaceutical for Cancer Treatment”, was published in the peer reviewed scientific journal ASC Omega. The results show that the candidate drug ^{177}Lu-SN201 in the Tumorad program accumulates in tumors to the same extent as comparable market-approved benchmark and is well suited for the systematic treatment of cancer. Furthermore, ^{177}Lu-SN201 delays tumor growth and prolongs survival in a preclinical model of colon cancer.

First patient dosed in Tumorad-01
First cancer patient successfully dosed in the Phase I/IIa clinical trial Tumorad-01 with the candidate drug in the radionuclide therapy program Tumorad, ^{177}Lu-SN201. The study is being conducted in cancer patients with advanced solid tumors.

Application for extended patent protection for Tumorad
Four new patent applications were filed with the European Patent Office (EPO) to extend and prolong the patent protection for Tumorad. If granted, Tumorad will receive protection in all strategically important markets including the EU, US and Japan, until at least 2042.

Positive topline data from SPAGOPIX-02
The analysis of data from the Phase IIa clinical study SPAGOPIX-02 with contrast agent pegfosimer manganese confirms that the primary endpoint of measuring the MRI enhancing effect in endometriotic lesions was met, with an acceptable overall safety profile.

Rights issue
The company raised approximately SEK 26 million after issue costs in the rights issue, in which the subscription period ended on 23 November. The net proceeds are intended to be used for the continued development of Tumorad, including inclusions of patients and obtaining initial results in the first clinical study with Tumorad in cancer patients. Full allotment and registration with the Swedish Companies Registration Office took place in January 2024 after required approvals were obtained from the Swedish Inspectorate for Strategic Products (”ISP”).

Q1
Q2
Q3
Q4

Presentation of SPAGOPIX-02 in endometriosis at the 15th World Congress of Endometriosis
Principal investigator Dr Ligita Jokubkiene presented observations from the Phase IIa clinical trial SPAGOPIX-02 in endometriosis at the 15th World Congress on Endometriosis.

Changes in the Board of Directors for increased commercial focus
At the Annual General Meeting, Hans Arwidsson was elected as new Chairman of the Board and Alan Raffensperger was elected as new Board member for increased commercial focus. Board members Kari Grønås and Nicklas Westerholm were re-elected.

Scientific Council
A Scientific Advisory Board consisting of scientific and clinical leaders in oncology and nuclear medicine was formed to provide support and guidance in the clinical development of the Tumorad radiopharmaceutical program.

During 2024

Q1
Q2

Strengthens management with Head of CMC & Supply
Spago Nanomedical strengthens management by the appointment of Birgitta Rembratt Svensson as Head of CMC & Supply. Birgitta, an experienced CMC project manager with several leading positions at development and commercial stage pharmaceutical companies, will join Spago Nanomedical on June 1 and serve as a member of the management team.

Favourable data in breast cancer model with Tumorad
^{177}Lu-SN201 demonstrates significant anti-tumor effect in a non-clinical triple-negative breast cancer model compared to several cancer drugs[1] with a low and acceptable level of radiotoxicity observed.

1. anti PD-1 and anti-CTLA-4 (immune checkpoint inhibitors), Niraparib (PARP-inhibitor), Paclitaxel (taxanes), and Carboplatin (platinumbased chemotherapy)

CEO statement by Mats Hansen

2023 was a successful year for Spago Nanomedical, where we achieved several important milestones in both our programs. After extensive preparatory work, we received the go-ahead to start our first clinical study within the Tumorad program in Australia at the end of the year. Just before year-end, we were able to announce that we had successfully dosed the first cancer patient. Progress was also made in our second clinical program, SpagoPix. At the end of the year, we announced positive topline data from the phase IIa clinical trial SPAGOPIX-02 with the contrast agent pegfosimer manganese in patients with endometriosis.

Spago Nanomedical's main focus in 2023 was to prepare for the start of the first clinical study in the radionuclide therapy program Tumorad. This involved intensive work including, among other things, submission of the application to the relevant ethics review committee and a Clinical Trial Notification to the Australian Medicines Agency, in addition to the completion of large-scale GMP-classified manufacturing of study material. The work resulted in us receiving a final approval in mid-October to start the phase I/IIa study Tumorad-01 in patients with advanced cancer. Patient recruitment began immediately and at the beginning of December the first cancer patient was treated.

Tumorad-01 is a first-in-human study with the primary aim of evaluating the safety, tolerability, dosimetry and initial effect of ^{177}Lu-SN201 in cancer patients. The phase I part of the study aims to, based on safety and biodistribution, identify a possible therapeutic dose for further testing in selected patient groups in the phase IIa part. Based on preclinical results, we assess that there are good conditions for a favorable benefit-risk profile in humans. Using different methods to measure radioactivity in the body, even at low doses, we expect to be able to get an early idea of the possibilities for therapeutic usefulness in cancer patients.

In parallel with the clinical study, an extensive non-clinical program is underway to explore Tumorad as monotherapy and combination therapy in a triple-negative breast cancer model. This is a very aggressive and difficult-to-treat form of cancer in which the tumor cells often have resistance to chemotherapy even before the chemotherapy treatment has begun; triple negative tumors make up approximately 15 percent of all breast cancer cases. It was therefore very gratifying that in the spring we were able to report favorable data from the initial non-clinical study with ^{177}Lu-SN201 as monotherapy showing a significant tumor-inhibiting effect with no unwanted radiotoxicity observed. The findings we have seen in this model are promising and support continued non-clinical development alongside the ongoing clinical trial, with an evaluation of combination therapy as the next step.

The need for new, more effective methods to treat spread and aggressive cancer is still huge, and is evident in the steadily increasing interest in the radiopharma field among major pharmaceutical companies and specialist investors. The area has received significantly increased attention in recent years in line with clinical and commercial progress as well as several major completed transactions by global pharmaceutical companies. Last March 2024, AstraZeneca strengthened its radiopharma portfolio with the acquisition of the US based Fusion Pharmaceuticals, a transaction worth up to USD 2.4 billion. Another current example is Bristol Myers Squibb which at the end of 2023, acquired RayzeBio and its radiopharma platform for around USD 4.1 billion.

We are now experiencing greater interest from other pharmaceutical companies and specialist investors as we advance our pipeline. This also applies to our second development program, SpagoPix, where we saw significantly increased interest following our end-of-year reporting of positive topline data from our phase IIa clinical study SPAGOPIX-02 with the contrast agent pegfosimer manganese, formerly SN132D, in patients with endometriosis. This aligns with a welcome and growing interest in women's health in general and endometriosis specifically. Women who suffer from endometriosis are a severely underdiagnosed and undertreated patient group, and the need for both more effective treatment and diagnostic methods is both recognized and huge.

SPAGOPIX-02 was an open-label proof-of-concept study with the primary objective of evaluating pegfosim manganese as contrast enhancement in patients with endometriosis. In May 2023, principal investigator Dr. Ligita Jokubkiene participated at the scientific conference 15th World Congress on Endometriosis where she presented the design and observations from the study, and in June we announced a preliminary analysis showing that the contrast agent is well tolerated in patients with endometriosis. Topline data reported in December showed that contrast enhancement could be observed in the majority of lesions confirmed by ultrasound, thus meeting the study's primary efficacy objective. The results are very promising as they show the potential of pegfosim manganese in medical imaging of endometriosis lesions.

I look forward to continuing to deliver progress in our development programs. Thank you for your continued support.

Mats Hansen
CEO Spago Nanomedical AB

Vision

Objectives

Strategy

Spago Nanomedical's vision is to engage in competitive and successful development of products that increase patient survival and quality of life and thereby create long-term profitability for the company and its owners.

Spago Nanomedical's objective is to become a leading company within the development of therapeutics and diagnostics based on nanomedicine through the development of products that benefit patients benefit and provide good health economics.

Spago Nanomedical's overall strategy is to conduct development of medical programs based on the company's proprietary and patented nanomaterials. The business strategy is based on the commercialization of the company's development projects through collaborations and out-licensing to industrial partners with the resources to brign the product to market and clinical use. This reduces capital need and the time to revenue, and increases the potential for successful market penetration.

Program - Tumorad

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

MARKET OVERVIEW AND COMPETITIVE SITUATION

Surgery, chemotherapy and radiotherapy have been used for a long time and form the basis of treatment for most cancers. However, despite important advances and new therapies, long-term survival in many cases remains unsatisfactory, 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 alternatives. Treatment with radiation is effective against cancer and has long been an established cornerstone in the treatment of many cancers.

Usually, an external radiation source is used to target a certain tumor, but it is also possible to utilize molecules or particles that accumulate in tumors after distribution in the blood, known as radionuclide therapy. The latter has been used successfully in certain specific cancers for a long time, and may be a valuable alternative or complement to other types of treatment, especially in metastatic or aggressive cancer. One representative example is the treatment of thyroid cancer with radioactive iodine, which has been used successfully since 1942 and where a cure can be achieved despite extensive spread.

More recently, several targeted radionuclide therapies have been developed. Common to these is that a radioactive isotope bound to a carrier molecule is given intravenously and reaches tumors via the blood, so-called systemic distribution. Through different types of carriers that accumulate in tumors, controlled doses of radioactivity can target the cancer and thus treat both aggressive and spread cancer.

Tumorad's potential benefits

Tumor selectivity, physiological accumulation in tumors offers potential for use in the treatment of several different cancers

Nanoparticles with radioisotopes provide the possibility for radiation treatment of metastasized, aggressive, and difficult-to-access cancer

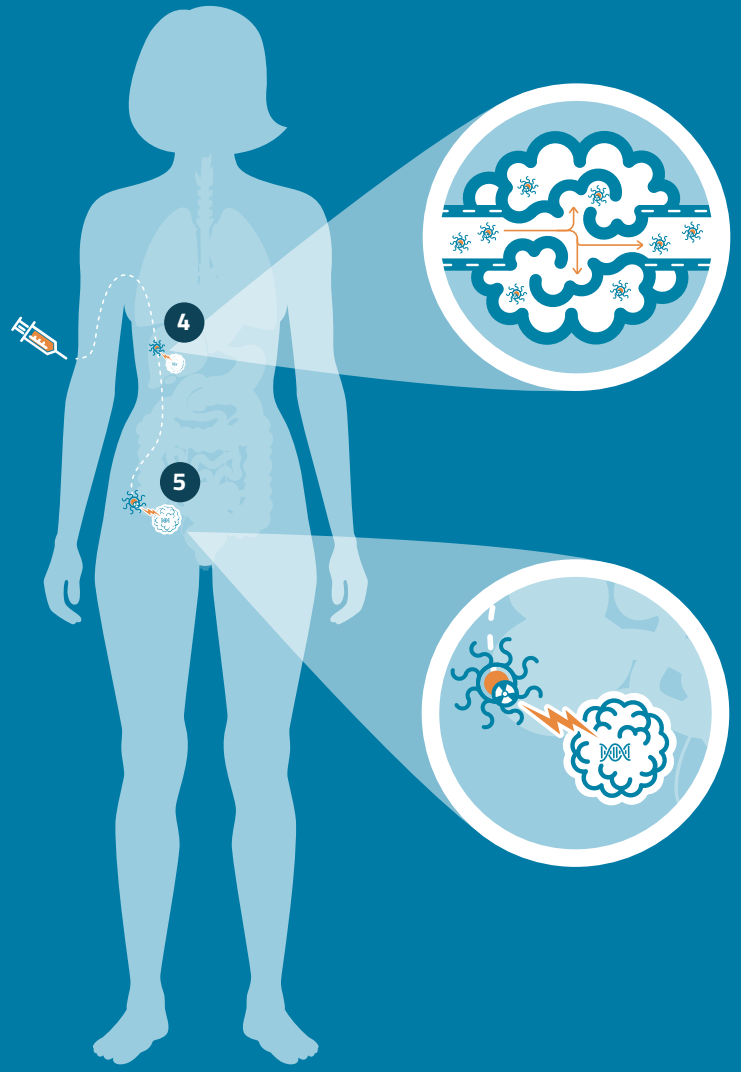
Complementary treatment enables combination with other types of therapies

Simple preparation facilitates logistics and may reduce costs compared to other radionuclide therapies

CONTENTS

Physiological targeting of tumors gives potential to treat several different cancers

1. The isotope lutetium-^{177} (^{177}Lu) is clinically effective and allows tumor imaging
2. The nanoparticle is optimized for physiological and selective accumulation in tumors
3. Simple preparation facilitates logistics and can reduce costs compared to other radionuclide therapies
4. Physiological accumulation of functional nanoparticles in aggressive tumors and metastases
5. Delivery of an adapted radiation dose with sufficient force to treat the tumors while minimizing the impact on surrounding tissue



Radioactive drugs are currently used clinically against a limited number of tumor types, while the rate of development in the field is accelerating with several new products under development. Based on public sales figures from global players with market-approved radionuclide therapies, the market for these products is currently estimated to be worth at least USD 1 billion. Examples of systemic radionuclide drugs include Xofigo, which was approved in 2013 for the treatment of prostate cancer metastases in bone tissue. In early 2018, Lutathera was approved for the treatment of certain neuro-endocrine tumors and in 2022, Pluvicto was approved for the treatment of advanced prostate cancer. These new radioactive drugs may be used both as a single treatment option and in combination with surgery, chemotherapy, and immunotherapies.

The interest in the field is huge and is shown not least by the acquisitions in recent years. In 2018, Novartis acquired both Advanced Accelerator Applications (with Lutathera) and Endocyte (with Pluvicto) for a total value of approximately USD 6 billion, according to the company's press release. In 2014, Bayer completed the acquisition of Norway's Algeta for US$2.4 billion to obtain the rights to Xofigo. In 2021, Bayer continued to complement its portfolio in radionuclide treatments against prostate cancer with the acquisitions of Noria and PSMA Therapeutics. In 2023, Eli Lilly acquired the adiopharma company Point Biopharma Global, with its radionuclide program for the treatment of prostate cancer, for $1.4 billion. In February of this year, Bristol Myers Squibb (BMS) acquired radiotherapy company RayzeBio Inc, with product candidate RYZ101 for the treatment of neuroendocrine tumors, for $4.1 billion. The latest in a string of major deals is Astra Zeneca's acquisition of Canadian Fusion Pharmaceuticals for $2.4 billion. Like many other companies in the field, Fusion Pharmaceuticals, with the Phase 2 program FPI-2265, is primarily focused on prostate cancer.

The market for radionuclide therapies can be expected to increase significantly in the coming years. Investments to develop new radioactive drugs have increased significantly in recent years and the focus continues to be primarily on the treatment of prostate cancer and neuroendocrine tumors. The challenge going forward in the field will be to broaden the use of effective radionuclide therapy, both to earlier in the disease stage and also as a treatment for several cancers. This can be done e.g. through the use of new isotopes or through new ways of targeted accumulation of drugs in tumors. Bayer Healthcare, Novartis, Astra Zeneca, Eli Lilly, BMS, Spectrum Pharmaceuticals, Jazz Pharmaceuticals, GE Pharmaceuticals, Immunomedics, Antisoma and Progenics Pharmaceuticals are examples of companies that market or develop radioactive drugs. These can be seen as competitors but also as potential future partners of Spago Nanomedical.

Compared to the targeted therapies available on the market today, Spago Nanomedical's drug candidate ^{177}Lu-SN201 (Tumorad) has the advantage of providing the opportunity to treat various types of solid tumors, and thus potentially a significantly higher market value. Based on mortality data[1] from 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[2]), as well as prices of comparable existing pharmaceuticals, the company's assessment is that the annual addressable market for Tumorad amounts to several billions.

STRENGTHS AND COMPETITIVE ADVANTAGES

Spago Nanomedical's candidate drug SN201 is loaded with a radioactive isotope, ^{177}Lu (the same one successfully used in Novartis products Lutathera and Pluvicto), and thus enable internal radiation therapy, radionuclide therapy. The advantag of radionuclide therapy compared to external beam radiation is the ability to selectively deliver radioactivity to tumors and thereby irradiate multiple soft tissue tumors and metastases simultaneously. The technology also irradiates tumors that would be unreachable with external radiation, such as deeper tumors or tumors adjacent to vital organs.

The drug candidate ^{177}Lu-SN201, like the product candidate pegfosimer manganese in the SpagoPix program, is designed for physiological and selective accumulation in tumors and other lesions, via the well-documented Enhanced Permeability and Retention (EPR) effect. Growing malignant, and even some benign lesions are surrounded by a disorganized capillary network with porous vessel walls with cavities that allow particles to pass through to the growing lesion. In addition, tumor tissue has a poorly functioning lymphatic system, which means that particles that end up in the lesion stay there longer than they would have done in healthy tissue. The company's nanoparticles are designed and carefully optimized to exploit the EPR effect. The local accumulation of ^{177}Lu-SN201 allows for the delivery of an adapted radiation dose with sufficient power to treat the tumors while minimizing unwanted effects on the surrounding tissue. The mechanism of physiological accumulation also uses ^{177}Lu-SN201 for the treatment of several tumor types. This is where ^{177}Lu-SN201 differs from most other targeted radionuclide therapies based on, for example, antibodies, which have been developed to reach only a certain tumor type.

1. Bray et al, 2018.
2. Natfji et al.,2017

PROGRAM STATUS

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

Extensive non-clinical development and optimization work has previously resulted in a drug candidate, ^{177}Lu-SN201, with the desired exposure of radioactivity in tumors, while minimizing the impact on other organs.

In April 2024, the company reported favorable results from a study with ^{177}Lu-SN201 as monotherapy in a model for triple-negative breast cancer, a very aggressive and difficult-to-treat form of cancer in which the tumor cells often have resistance to chemotherapy even before chemotherapy treatment begins and which represents approximately 15 percent of all breast cancer cases. The results show a better tumor-inhibiting effect compared to drugs used in standard treatment, in parallel with a low level of radiotoxicity. The findings support continued non-clinical development to explore ^{177}Lu-SN201 as monotherapy and in combination therapy in triple-negative breast cancer,

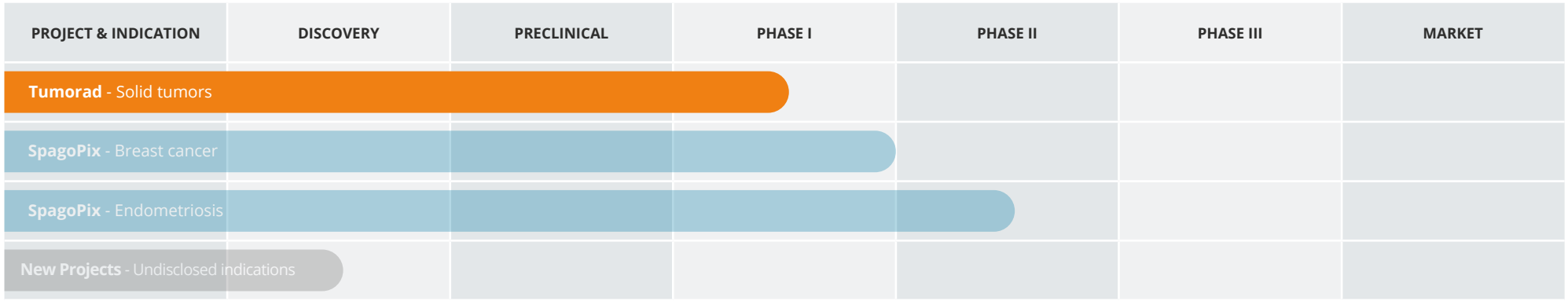
The company has also show that ^{177}Lu-SN201 reduces tumor growth and prolongs survival by 37 percent in a preclinical model for colorectal cancer[3]. The material has shown a good safety profile in regulatory preclinical toxicology studies, as well as a favorable distribution in the body (biodistribution) in preclinical studies. Manufacturing of SN201 on a larger scale for clinical studies is completed and during the fourth quarter of 2023 the first patient was successfully dosed in a clinical phase I/IIa, dose escallation and dose expansion, first-in-human study on patients with advanced cancer. The primary objective of the study is to evaluate the safety, biodistribution, tolerability and initial efficacy of ^{177}Lu-SN201. The phase I part of the study is ongoing and will include up to 30 patients. Based on biodistribution analysis (by measuring radioactivity) in the first patients in the study, an early indication of the possibility of reaching a safe and effective dose can be expected. The study is initially conducted at a number of clinics in Australia and as the study progresses, clinics in other countries may also be included.

PATENT

Spago Nanomedical has extensive own experience in patent work and works actively together with a well-reputed Swedish patent office to continuously strengthen the commercial protection for its products.

The company has product protection for SN201 in the most strategically important markets for radionuclide therapy, including the US, the EU and Japan, and is valid until at least 2035. Additional patent applications for product and process protection have been filed, which may both strengthen and extend the protection until at least 2042. Tumorad is a protected trademark.

Pipeline - Tumorad



3. Mattisson et al., 2023

CONTENTS

Tumorad

Design	Properties	Benefits
Functional nanoparticles	• Very strong binding of therapeutic isotope, inherent possibility of effect not dependent on delivery of active substance • Optimized for accumulation in tumors	• Tumor-selective alternative and combination to chemotherapy and targeting cancer treatment
Radioisotope with therapeutic properties	• Lutetium^{177} clinically validated with therapeutic effect • Radiation optimized for treatment of solid tumors • Commercially available in sufficient quantities	• Internal radiotherapy, which may reduce the risk of recurrence • Easy preparation and logistics • Enables screening with imaging diagnostics
Physiological accumulation in tumors	• Selective accumulation in tumors and less in healthy tissue • Increased accumulation in aggressive tumors	• Internal radiotherapy of aggressive and metastatic cancer • Use against various types of cancer, including receptor-negative tumors
Unique composition	• Nanomedical radionuclide therapy, novel treatment option • Complementary to other therapies	• Possibility of combination treatments for higher efficiency

Program - SpagoPix

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

MARKET OVERVIEW AND COMPETITIVE SITUATION

Endometriosis is a chronic inflammatory disease affecting the female reproductive system where cells similar to those in the endometrium – the layer of tissue that normally lines the inside of the uterus – attach and grow outside the uterus, known as endometriosis lesions. These pathological lesions cause pain and in many cases infertility. It is estimated that up to 10 percent of all women of childbearing age are affected, which corresponds to at least 190 million women worldwide. Endometriosis takes an average of 9 years to diagnose and accounts for the same social healthcare costs as type 2 diabetes or rheumatoid arthritis. Current diagnostics are mainly based on ultrasound examination, in many cases supported by laparoscopy and in some cases MRI without contrast agent. The precision is relatively low, which leads to delayed diagnosis. This delay not only inhibits effective treatment but also allows the disease to progress and increases the risk of advanced changes as well as infertility. The clinical need for improved diagnostic methods, especially non-invasive ones, is huge.

Cancer is today one of the most common causes of illness and death among adults, especially the elderly. According to data from the WHO, 18.1 million people were diagnosed with cancer in 2020. At today's rate of increase, this number is estimated to be 28.4 million in 2040. To a large extent, the increase is believed to be attributable to an aging population, but also on a growing population with a higher prevalence of risk factors associated with a higher socioeconomic standard. An early and accurate cancer diagnosis is in many cases crucial for a positive treatment outcome. The survival rate is highly dependent on early diagnosis, since the possibilities of successful treatment are reduced if the cancer has spread. Imaging diagnostics, including mammography, ultrasound, computed tomography ("CT"), positron emission tomography ("PET") and MRI, is a cornerstone of modern healthcare. MRI and PET are normally used as more accurate methods to verify diagnoses made with cheaper and faster methods such as mammography and ultrasound. Unlike CT, mammography and PET which are based on ionizing radiation, MRI is a radiation-free method. In addition, MRI provides the ability to take high-resolution images that can be used to guide surgical procedures. MRI cameras are already available today in most hospitals and their use in cancer and other diseases is steadily increasing.

SpagoPix's potential benefits

Selectivity improves the precision and makes it easier to distinguish between lesions and other tissue, thus reducing the frequency of misdiagnosis

Exceptional enhancement of the MRI signal, several times higher signal strength (relaxivity) than other contrast agents on the market[1], makes it possible to use a safe dose.

Controlled build-up of the MRI signal, makes it possible to capture images for a longer time span and enables high resolution images

Free from gadolinium, eliminates the risk of adverse effects and environmental effects from the use of this substance that is present in existing MRI contrast agents[2]

1. Gianolio et al., 2019.
2. Side effects related to gadolinium include nephrogenic systemic fibrosis.

To enhance the difference between tumors and surrounding tissue and to facilitate MRI diagnosis of cancer, contrast agents are often used. These substances are given intravenously and distribute through the blood to various organs and tumors, which are thus seen more clearly on the images. Today, MRI constitutes clinical practice with several different applications in cancer care, and the market for MRI contrast agents is significant. As a result of the fact that healthcare has generally become better at treating cancer and prolonging the survival of cancer patients, the number of patients who may need to be followed up with diagnostic imaging is also increasing. This can have a positive impact on the MRI contrast agent market. With improved contrast agents that can provide better images, and thus clearer information to be able to assess the patient's need for care, the use of MRI may increase further.

While MRI has significant potential to improve diagnostics, the technology currently in use has its limitations. One reason why MRI is not used at full potential for diagnosis of endometriosis and cancer is that today's contrast agents have relatively low precision and are thus non-optimal for reliably distinguishing morbid lesions from other tissue changes. Existing contrast agents are distributed quickly (within minutes) throughout the body after injection, and provide relatively low contrast between lesions and surrounding tissue. For this reason, contrast agents are not recommended for use in imaging endometriosis according to the ESHRE guidelines (2022). When imaging tumors, the low contrast between lesions and surrounding tissues can lead to difficulties in accurately assessing the spread of the cancer, which can, for example, lead to a need to repeat the breast cancer surgery, but also for tumors going undetected. There is a risk that a missed tumor diagnosis allows the tumor to develop to an advanced stage, where the prognosis is much worse. The unspecific accumulation of contrast agent may also lead to tumor findings that eventually turn out to be non-malignant, so-called false positive findings. False positive findings lead not only to anxiety and suffering for the individual patient, but also to significant costs for subsequent unnecessary examinations.

Today's MRI contrast agents are almost exclusively based on the metal gadolinium, which in some patients has been linked to side effects and accumulation in the body, e.g. in the brain. There is also increasing evidence 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 agent. Overall, the shortcomings of the MRI contrast agents used today constitute an obstacle to the wider use of MRI.

Among the leading companies in the market for contrast media are Bayer Healthcare, Bracco Imaging, GE Healthcare, and Guerbet. These can be seen as competitors but also as potential future partners of Spago Nanomedical. In addition to competition from existing and new contrast agents that may be developed, research is also conducted in other areas to improve the ability to detect and visulize cancer. For example, the possibility of combining PET with MRI to increase sensitivity and specificity is under evaluation. However, this alternative is very expensive and has not yet proven to produce satisfactory results. Another technique that is under evaluation, in this case for breast cancer, is so-called breast tomosynthesis. This method provides higher sensitivity than mammography for certain types of breast tissue, but currently comes at the cost of an elevated radiation dose. Another example is the development of automated ultrasound examination to give visibility to breast cancer. As for endometriosis, the need for improved diagnostic methods is great, to reduce the time to diagnosis and increase the possibilities for effective treatment.

STRENGTHS AND COMPETITIVE ADVANTAGES

Spago Nanomedical's contrast agent SpagoPix with the product candidate pegfosimer manganese has unique properties that make it possible to utilize the potential of MRI. Pegfosimer manganese can provide the ability to detect endometriosis and tumors with higher precision than is possible with today's contrast agents, thus opening up for improved imaging diagnostics, more efficient surgery, screening of high-risk patients, monitoring and follow-up of patients before and after surgery, and facilitating automated image analysis for example with AI-based systems. Improved methods for accurate visualization and diagnosis of endometriosis and tumors would increase the probability of a successful treatment and thus the patients' chance for a better quality of life and survival. Pegfosimer manganese is, like the candidate drug ^{177}Lu -SN201, designed for physiological and selective accumulation in tumors and other lesions, via the EPR effect. Images from a phase IIa study in endometriosis, SPAGOPIX-02, show that pegfosim manganese can selectively enhance inflammatory lesions in patients with confirmed endometriosis. Furthermore, images from breast cancer patients in a phase I study, SPAGOPIX-01, show that pegfosim manganese distributes in tumor tissue but not in surrounding tissue, thus confirming the uptake mechanism. As uptake in surrounding tissue is a problem associated with current contrast agents and makes the interpretation of images difficult, this potentially means that pegfosim manganese can significantly improve the diagnosis of endometriosis and cancer.

In addition to the selective accumulation of pegfosim manganese in endometriosis lesions and cancer tumors, the contrast agent also has a significantly better ability to enhance the signal measured in MRI examinations (relaxivity) compared with the contrast agents currently in use. Relaxivity is already today a competition factor for the existing MRI contrast agents, and pegfosim manganese has demonstrated several times higher relaxivity than the contrast agents currently on the market. Data showing that the relaxivity of pegfosim manganese is among the highest measured for MRI contrast agents has been published in the European Journal of Inorganic Chemistry[3]. A high relaxivity allows the use of a lower dose of contrast agent and can thereby increase safety for the patient.

Through its accumulation mechanism, the signal from pegfosim manganese builds up over time. This gives flexibility to the image capturing, which can be an advantage if several images have to be captured at the same time or when a whole-body MRI scan is performed. In addition, the remaining signal allows high-resolution

3. Gianolio et al. 2019

images of the tumor to be captured; this is not possible with the gadolinium-based contrast agents used today, since they disappear from the body in a few minutes.

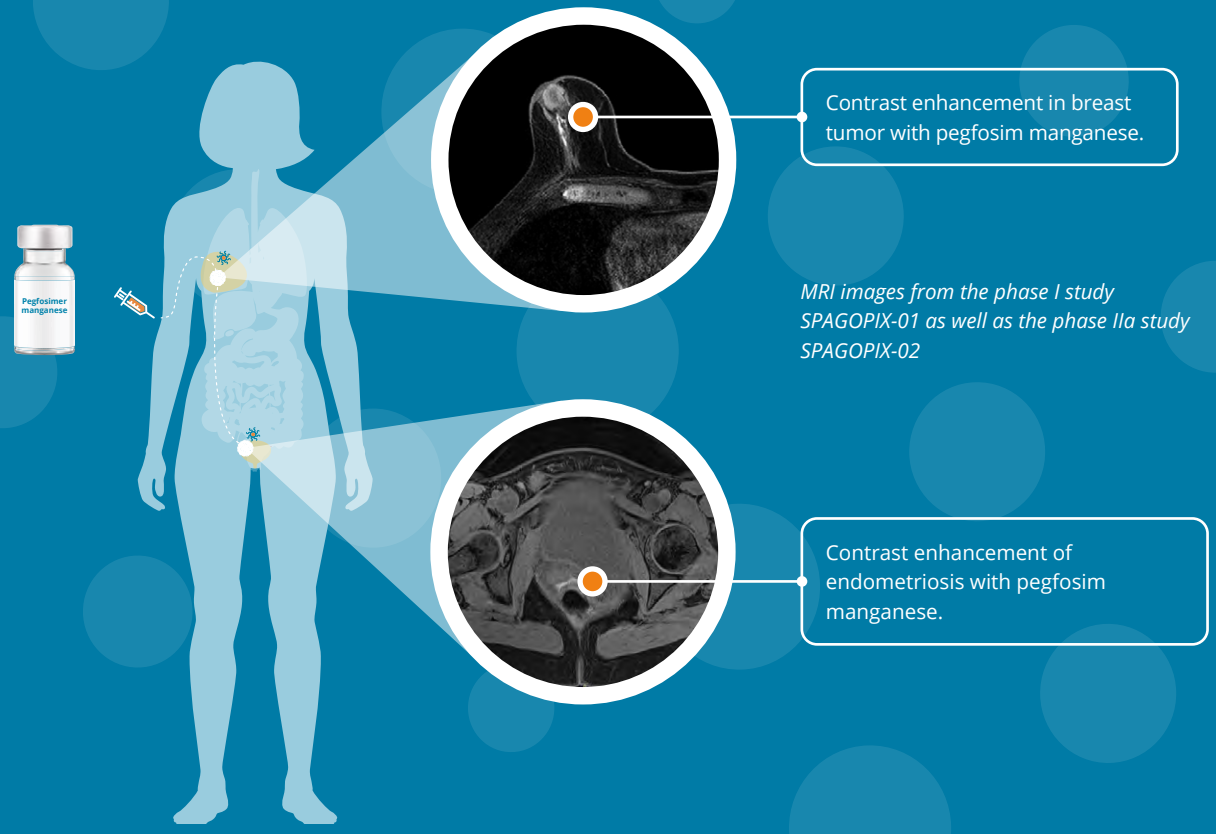
The combination of selectivity for lesions and the high signal strength, pegfosim manganese can provide a more precise and clear image of the diseased tissue. This increases the possibilities for accurate diagnosis and precision of surgical treatment. Pegfosimer manganese is also free of gadolinium, which means that, in addition to better precision, the risk of adverse effects from the use of this element, foreign to the body, is eliminated. Instead of gadolinium, pegfosim manganese uses manganese (Mn) to enhance the signal detected in an MRI examination. Manganese is an essential element that occurs in many of our most common foods and is needed to maintain good health.

PATENT

The company has strategic patent protection in the largest markets for MRI contrast agents such as the EU, USA and Japan. The patent guarantees exclusivity for pegfosim manganese until at least the year 2038. Additional patent applications for product and process protection are pending approval, which may both strengthen and extend protection for pegfosim manganese until at least 2040.

CONTENTS

Selective contrast agent with the potential to significantly improve the precision of image diagnostics with MRI



MRI images from the phase I study SPAGOPIX-01 as well as the phase IIa study SPAGOPIX-02

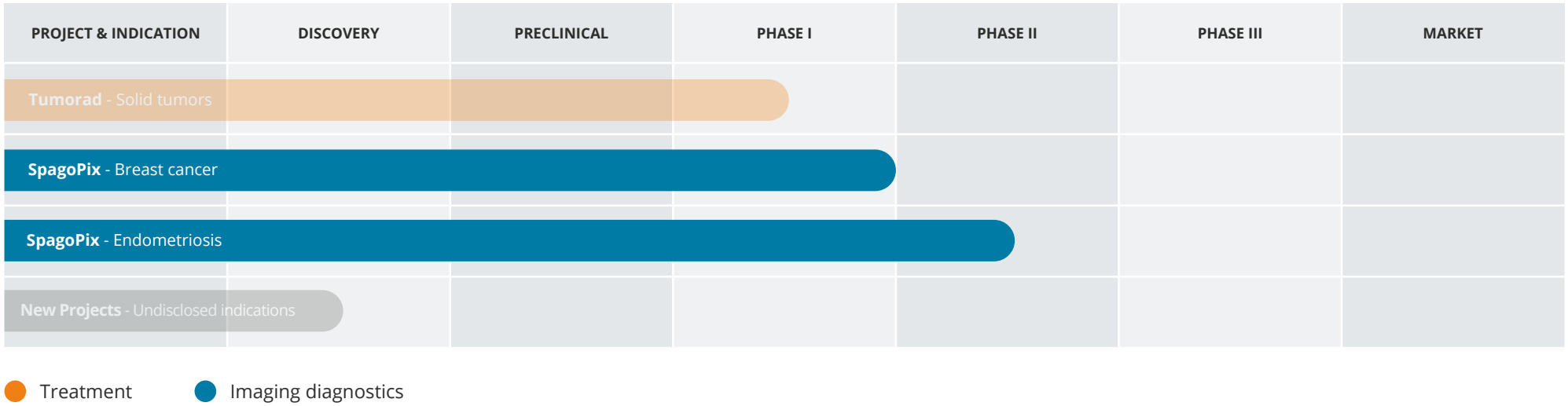
PROGRAM STATUS

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

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

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

Pipeline - SpagoPix



CONTENTS

SpagoPix

Design	Properties	Benefits
Functional nanoparticles	• Longer circulation time in the body allows for selective accumulation in tumors and inflammatory lesions • Very strong binding of contrast enhancing metals	• Selective MRI contrast without interfering background
Manganese as contrast enhancer	• Paramagnetic metal optimal for MRI • Essential nutrient – safe and well documented	• Flexible time window for image capture
Optimized for physiological accumulation in tumors	• High biocompatibility • Selective accumulation of nanoparticles in lesions, increases with tumor aggressivity	• Not affected by the same restrictions as gadolinium-based contrast agents • Improved precision in images • High contrast between lesion and background • Enables high resolution images • Possibility of use in several different disease states
Superior signal strength	• MRI signal from manganese increases when bound to nanoparticle	• Possibility to minimize the dose and reduce the risk of adverse effects

Organization

Spago Nanomedical has an organization with extensive experience in life science and specialist expertise in nanomedicine, drug development and commercialization. The company currently has 13 employees. In addition to employees and the Board of Directors, the company has established collaborations with carefully selected consultants, medical advisors and partners who help to optimize the development of the company's development programs.

Mats Hansen

Chief Executive Officer (CEO)

Born: 1971

CEO since: 2015

Holdings (incl. related parties):
385,252 shares and 224,730 TO12

Education and experience: Mats Hansen holds a PhD in plant biochemistry from Lund University and a Master's degree in biology from Lund University. He also has a long experience in project management, clinical development and business development of drugs for oncology. Previous roles include Director of Project Management and Head of Knowledge Management at Active Biotech AB, where he previously also held several key positions in information management, IP and business development.

Other assignments: Board member of Ekoscandica Naturguide AB

Oskar Axelsson

Chief Scientific Officer (CSO)

Born: 1962

In management team since: 2007

Holdings (incl. related parties):
167 812 shares and 97 980 TO12

Education and experience: Oskar Axelsson has a PhD in organic chemistry from the University of Gothenburg and a long experience mainly in contrast agent research from, among others, Nycomed Innovation, Amersham and GE Healthcare. Oskar leads the research department at Spago Nanomedical and is responsible for the company's patent issues. He has participated in over 50 patent applications and several scientific publications.

Other appointments: -

Paul Hargreaves

Chief Development Officer (CDO)

Born: 1969

CDO since: 2021

Holdings (incl. related parties):
60 000 shares and 35 000 TO12

Education and experience: Paul Hargreaves holds an MSc in Clinical Pharmacology from the University of Aberdeen and an EMBA from Copenhagen Business School. He has extensive experience in international drug development in several therapeutic areas. His previous roles include Development Team Lead at Pfizer, VP Phase I for Quintiles and Global Head of Clinical Operations at LEO Pharma. Most recently he has worked as an independent consultant and CDO.

Other appointments: -

Hanna Olsson

Chief Financial Officer (CFO)

Born: 1980

CFO since: 2019

Holdings (incl. related parties):
67 500 shares and 39 375 TO12

Education and experience: Hanna Olsson holds an MSc in Business Administration and long experience from various roles in auditing, analysis, financial control and business planning in both large and small national and international groups such as Deloitte, Schneider Electric and most recently in the role of CFO at System Verification.

Other appointments: -

BOARD

Hans Arwidsson

Chairman of the Board, elected to the Board in 2023

Born: 1958

Education and experience: Hans Arwidsson is a pharmacist and holds a PhD in Pharmaceutical Sciences from Uppsala University and an MBA from Stockholm School of Economics. Hans has extensive experience from the pharmaceutical industry through several senior positions in research, business development, marketing and production within Astra and AstraZeneca and as Chairman of the Board of Nanexa AB, Board member of Xspray Pharma AB (publ) and CEO of LipoCore AB.

Other current assignments/positions outside the Company: CEO and board member of Eurocine Vaccines AB, board member of Healthy Bizniz Europe AB and deputy board member of Ingrid Gjellan Fastighetsförmedling AB.

Own and related parties' holdings in the company: 497,000 shares and 212,000 TO12. Independent of the company and its management and of the company's major shareholders.

Kari Grønås

Board member, elected to the Board in 2018

Born: 1964

Education and experience: Kari Grønås is a pharmacist and has extensive experience in industrial contrast agent and drug development from Bayer AS, Algeta ASA, PhotoCure ASA, and Amersham Health, among others. Kari was project manager for Xofigo, including the application for marketing authorization with EMA and FDA, and CMC responsible for the contacts between Algeta and Bayer. Furthermore, Kari has also been project manager for the development of the contrast agent Hexvix up to market authorisation in the EU/EEA.

Other current assignments/positions outside the Company: CEO of K og K AS, chairman of the board of Lungekreftforeningen and board member of Ultimovacs ASA and Oncoinvent AS.

Own and related parties' holdings in the company: 199,999 shares and 116,666 TO12. Independent of the company and its management and to the company's major shareholders.

Alan Raffensperger

Board member, elected to the Board in 2023

Born: 1960

Education and experience: Alan Raffensperger holds an MBA from George Washington University School of Business and a Bachelor's degree in Emergency Health Services Management from the University of Maryland, Baltimore (UMB). Alan is a member of the Karolinska Institute Steering Committee, Rolf Luft Research Centre for Diabetes and the Department of Molecular Medicine. Alan has a long and experience in life science through leading positions in both positions in SOBI - Swedish Orphan Biovitrum AB (publ), Amgen, Roche Pharmaceuticals and Pharmacia/Pfizer, as well as smaller companies. Alan has also been a board member of XVIVO Perfusion AB. In his roles as CEO and board member, Alan has experience from the entire development chain from early research to commercialization, licensing and sales of entire companies.

Other ongoing assignments/positions outside the Company: Chairman of the Board of Inceptua AB and Rolf Luft Foundation, as well as board member of Karolinska Institutet's steering committee, Rolf Luft Research Centre for Diabetes and the Department of Molecular Medicine.

Own and related parties' holdings in the company: 808,667 shares and 528,667 TO12. Independent of the company and its management and to the company's major shareholders.

Nicklas Westerholm

Board member, elected to the Board in 2019

Born: 1976

Education and experience: Nicklas Westerholm has studied analytical and organic chemistry at Stockholm University and Chemical Engineering at the Royal Institute of Technology and has studied at the University of Warwick and Harvard Business School. Nicklas has previously worked within the AstraZeneca Group in several global roles in different business areas, most recently as VP of Project & Portfolio management, Cardiovascular and Metabolic Diseases, Global Medicines Development Unit. Prior to that, Nicklas has held positions such as Executive Officer & VP of Japan Operations, Director Investor Relations, Head of Global API Supply and Head of Development Manufacture.

Other ongoing assignments/positions outside the company: CEO of Egetis Therapeutics AB (publ), CEO and Chairman of the Board of Rare Thyroid Therapeutics International AB and deputy board member of Egetis Therapeutics Incentive AB.

Own and related parties' holdings in the company: 72,432 shares and 64,167 TO12. 64,167 TO12. Independent of the company and its management and to the company's major shareholders.

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MEDICINSKA RÅDGIVARE

Sten Nilsson

Sten Nilsson is a specialist and professor emeritus in oncology, and a specialist in nuclear medicine. Sten was responsible for the study design and led the early clinical program Xofigo™ (previously Alpharadin™). Sten was former chairman of the Swedish Oncology Association (SOF) and the Swedish Society for Nuclear Medicine (SFNM) and member of the EANM's Radionuclide Therapy Task Force. He has published over 200 scientific papers.

Austin Smith

Austin Smith is trained and qualified in medical oncology and pharmaceutical medicine. He has a solid background in all aspects of oncology and malignant haematology, along with experience in regulatory science across Europe, the US and Asia-Pacific region, acting in senior and executive positions in biopharma companies. Austin is also a member of the Expert Group for Oncology, representing the Faculty of Pharmaceutical Medicine in the UK.

Kristian Pietras

Kristian Pietras is a professor of Molecular Medicine at Lund University, specializing in translational cancer research as a hub between basic science, clinical science and the pharmaceutical industry. Kristian has made important contributions to defining tumors as communicating organs composing multiple cell types that collectively sustain cancer progression. He has received numerous awards for his research, most notably the Anders Jahre's Medical Prize for young scientists by Oslo University, The Fernström Award for Young Scientist by Lund University, and the Göran Gustafsson Award by the Royal Swedish Academy of Sciences. Kristian has been a member and chairman of the Young Academy of Sweden, and is an elected member of the Royal Physiographic Society. He has published over 100 research papers and patents.

Peter Leander

Peter Leander is an associate professor and specialist in medical radiology. He is Head of Radiology at the Peritus Clinic and has conducted research on contrast agents for MRI and CT. Peter has extensive experience in radiology, including many years of experience as a radiologist in Malmö and Regional Chief Radiology Officer at Region Skåne, and is a member of the Swedish Society of Radiology (SMFR), and chairman of the Swedish contrast agent group within SMFR.

Timothy Roberts

Timothy Roberts is professor of radiology and Vice-chair of research in the department of Radiology at the Perelman School of Medicine, University of Pennsylvania, where he also holds the Oberkircher Family Endowed Chair in Paediatric Radiology. Timothy' research is focused on the translational development of medical imaging technology.

Per Hall

Per Hall is professor at the Department of Medical Epidemiology and Biostatistics at Karolinska Institute and consultant in oncology at Södersjukhuset in Stockholm. Per has extensive experience in clinical cancer research and randomized controlled trials. He has coordinated several EU-funded and NIH-funded research projects.

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”In Tumorad, nanoparticles for physiological accumulation in tumors are loaded with clinically effective radioactive isotopes, which can open for effective internal radiation therapy of aggressive and spread cancer with high precision. Tumorad can thus provide the opportunity to treat cancer diseases that cannot be treated with other types of radioactive drugs.”

Share information for Spago Nanomedical AB

Spago Nanomedical's share is traded on Nasdaq First North Growth Market under the ticker SPAGO.

TRADING IN THE SHARE AND SHARE PRICE PERFORMANCE

In 2023, a total of 43 million shares were traded at a value of SEK 20 million.

The share price of the Spago Nanomedical share decreased during the year, from SEK 0.63 at the beginning of the year to SEK 0.33 at the end of the year. The company's market capitalization was 62 million (57 million) at the end of the year.

SHARE STRUCTURE AND SUBSCRIPTION OPTIONS

At the end of 2023, the number of registered shares amounted to 188,593,787 and the number of registered warrants of the series TO12 to 96,407,878. The resolution and registration of a further 36,121,667 shares and 30,913,334 warrants has taken place in January 2024, after the necessary approvals have been obtained from "Inspektionen för strategiska produkter" (ISP). The quota value amounts to SEK 0.10. Each share entitles to one vote and each person entitled to vote may vote for the full number of owned and represented shares at the general meeting. All shares has equal right to shares in the company's assets and results.

Subscription warrants of series TO12 entitle the holder that, during the exercise period of May 17, 2024 through May 30, 2024, for each warrant, subscribe for one new share in the company at a subscription price corresponding to 70 percent of a volume-weighted average of the price of the company's share during a period of 10 trading days before the exercise period, however minimum SEK 0.20 per share and maximum SEK 0.80 per share.

During 2023, a rights issue (the Rights Issue) was carried out, which added SEK 30.6 million to the company before issue costs. The issue increased the company's share capital by SEK 12,732,121.20 distributed over 127,321,212 shares. In addition, 6,450,519 shares were subscribed for in two directed issues to the guarantors in The rights issue that chose to receive compensation in the form of newly issued shares in the company (The directed issues).

OWNERSHIP STRUCTURE

The number of shareholders at the end of the year amounted to 2,803 (2,765). After the Rights Issue and the Directed Issues were registered in January 2024, one shareholder, Peter Lindell, has direct and indirect holdings representing more than ten percent of the votes. The ten largest shareholders controlled 70 percent of the company's shares as of January 31.

DIVIDEND POLICY

For the financial year 2023, the board of Spago Nanomedical proposes no dividend to be paid. Spago Nanomedical intends to retain any profits as long as the investment needs are large. Any future dividends will be decided by the shareholders at general meetings and will be determined on the basis of, among other things, the company's profitability, development, acquisition opportunities and/or financial position.

EQUITY RESEARCH

During the year, equity research of the company were made by Redeye (Johan Unnerus) and by Erik Penser Bank (Klas Palin).

SHAREHOLDERS

As of 2024-01-31	Total number of shares	Share of capital (%)
Peter Lindell with company & related parties	91,098,400	40,54
Mikael Lönn	19,104,150	8,50
Avanza Pension	12,325,486	5,48
Eva Redhe	11,399,853	5,07
Tiel Ridderstad	8,519,155	3,79
Nordnet Pensionsförsäkring	5,334,199	2,37
Filippa Lindström	3,096,494	1,38
Håkan Ekvall	2,594,724	1,15
Pension Futur	2,230,223	0,99
Thord Wilkne	2,044,214	0,91
Total of the above	**157,746,898**	**70,20**
Other shareholders	**66,968,556**	**29,80**
TOTAL:	**224,715,454**	**100,00**

DEVELOPMENT OF THE SHARE CAPITAL

YEAR	Transaction	Increase, number of shares	Increase of share capital (SEK)	Total share capital (SEK)	Total number of shares	Quota value
1993	Initial establishment	100 000	100 000	100 000	100 000	1
2008	Share issue	25 000	25 000	125 000	125 000	1
2009	Share issue	23 500	23 500	148 500	148 500	1
2010	Share issue	35 273	35 273	183 773	183 773	1
2012	Bonus issue	1 653 957	1 653 957	1 837 730	1 837 730	1
2012	Share issue	1 479 543	1 479 543	3 317 273	3 317 273	1
2014	Share issue	2 211 514	2 211 514	5 528 787	5 528 787	1
2015	Share issue	2 073 295	2 073 295	7 602 082	7 602 082	1
2016	Share issue	1 000 000	1 000 000	8 602 082	8 602 082	1
2017	Share issue	5 734 721	5 734 721	14 336 803	14 336 803	1
2018	Share issue	2 379 680	2 379 680	16 716 483	16 716 483	1
2019	Share issue	4,313,195	4,313,195	21,029,678	21,029,678	1
2020	Share issue	10,514,839	10,514,839	31,544,517	31,544,517	1
2021	Share issue	9,637,770	9,637,770	41,182,287	41,182,287	1
2022	Share issue	49,761,436	49,761,436	90,943,723	90,943,723	1
2023	Reduction of share capital	-	-81,849,350,70	90,943,723	9,094,372,30	0.10
2023	Share issue	97,650,064	9,765,006,40	188,593,787	18,859,378,70	0.10
2024	Share issue	36,121,667	3,612,166,70	224,715,454	22,471,545,40	0.10

Administration report

The Board of Directors and the Chief Executive Officer of Spago Nanomedical AB (publ), reg. no. 556574-5048, hereby present their annual report for the financial year 2023-01-01 – 2023-12-31.

OPERATIONS

Spago Nanomedical is a Swedish nanomedical company in clinical development phase, developing products for treatment and diagnostics of cancer and other severe diseases. The registered office is in Lund, where also the company's operations are. The operations are based on a patented material for the design of functional nanoparticles that accumulate physiologically in tumors, thus enabling an opportunity for higher precision and improved healthcare for patients. Current pipeline projects have the potential to facilitate diagnostics and improve patient care for diseases with urgent medical needs.

The company's overall strategy is to conduct development of medical programs based on the company's proprietary and patented nanomaterial. The business strategy builds on commercializing the company's development projects through collaborations and outlicensing to industrial partners that have the resources to bring the product to market and clinical use.

Development, non-clinical and clinical verification of projects is carried out in cooperation with academic institutions, consultants and partners. In the development process, special focus is given to the market's commercial demand and to critical success factors in the verification process.

The primary focus is on development of Tumorad for cancer-selective radionuclide therapy and SpagoPix, a MRI contrast agent with improved precision in images of suspected endometriosis and cancer. Thus, operating costs and company resources are attributable to the above.

PERSONNEL

The average number of employees during the period amounted to 13 (15).

PATENT

The company has strategic patent protection in the largest MRI contrast agent markets including the EU, the United States and Japan. The patent guarantees exclusivity for SpagoPix until at least the year 2038. Additional patent applications for product and process protection are pending approval, which may both strengthen and extend protection until at least 2040 for SpagoPix.

Furthermore, the company has patent protection for Tumorad in the strategically most important markets for radionuclide therapy, including the EU, the United States and Japan, and is valid until at least the year 2035. Additional patent applications for product and process protection have been submitted, which may both strengthen and extend the protection for Tumorad until at least 2042. Tumorad is a protected trademark.

SHARE INFORMATION AND OWNERS

Spago Nanomedical's share is traded on the Nasdaq First North Growth Market under the ticker SPAGO. At the end of the year, the company's share capital amounted to SEK 18,859,378.70 and the number of shares to 188,593,787, each carrying one vote. The largest shareholder in the company was, at the end of the year, Peter Lindell & company. For additional information, see section Share information Spago Nanomedical in this annual report.

RESULTS AND FINANCIAL POSITION[1]

The operating costs for the year amounted to kSEK -49,005 (kSEK -45,925). The operating costs during the year mainly refer to the production of material for the clinical phase I/IIa study Tumorad-01 and other clinical preparation activities.

Total income amounted to kSEK 5,931 (kSEK 2,765). The increase compared to the previous year mainly refers to 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 -43,073 (kSEK -43,160). Earnings per share before and after dilution amounted to SEK -0.43 (SEK -0.67).

At the end of the year, cash and cash equivalents amounted to kSEK 45,217 (kSEK 62,101). Cash flow from operations activities amounted to kSEK -45,062 (kSEK -41,882). The negative cash flow primarily relates to the clinical preparation activities in the Tumorad program. The cash flow from investment activities amounted to kSEK -353 (kSEK -134). Cash flow from financing activities amounted to kSEK 28,530 (kSEK 51,657). All funds from the rights issue, in which the subscription period expired on November 23, 2023, was received in the fourth quarter.

At the end of the year, the group'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).

1. Unless otherwise stated, this 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 2.

SIGNIFICANT EVENTS DURING THE YEAR

- At the annual general meeting, Hans Arwidsson was elected as new chairman of the board and Alan Raffensperger as a new board member for increased commercial focus. Members Kari Grønås and Nicklas Westerholm was re-elected.

- The first cancer patient was successfully dosed in the phase I/IIa clinical study Tumorad-01 with the candidate drug in the radionuclide therapy program Tumorad, ^{177}Lu-SN201. The study is conducted on patients with advanced cancer.

- The analysis of data from the phase IIa clinical study SPAGOPIX-02 with the contrast agent pegfosimer manganese confirms that the primary endpoint of MRI enhanging effect in endometriosis lesions was met, with an acceptable overall safety profile.

- The company received approximately SEK 26 million after issue 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 inclusion of patients and summation of initial results in the first clinical study with Tumorad in cancer patients. Full allocation and registration with the Swedish Companies Registration Office took place in January 2024 after the necessary approvals were obtained from the Inspectorate for Strategic Products (”ISP”).

SINGNIFICANT EVENT AFTER THE REPORTING PERIOD

For significant events after the eporting period, please refer to Note 20.

RISK FACTORS

Development of new medical and diagnostic products

Research and development of new nanomedical products is time and resource demanding, and requires considerable expertise. Regulatory authorities require both preclinical and clinical trials to be carried out, including the development of a manufacturing process, for a product to be commercialized for human use. The outcome of such studies may be unpredictable and undesired, and as a consequence, the company’s estimated costs and timeframes relating to these studies involve considerable uncertainty.

Recruitment of subjects

An essential element of Spago Nanomedical’s clinical trials is the recruitment of subjects, as the outcome of the recruitment has a substantial impact on the timetable for the clinical trial. There is a risk that the recruitment of subjects, for different reasons, takes longer or becomes more expensive than planned, which then would result in increased costs and delayed study results. Such delays can lead to additional costs and that expected revenues are postponed to the future, which has a negative impact on the company’s operations and future prospects.

Collaborations for the development and commercialization of products

At present, none of Spago Nanomedical’s projects have been commercialized, and further studies and authorization from authorities are deemed necessary before a commercialization of any of the company’s candidate drugs can become relevant. There is a risk that relevant authorities don’t approve the products developed by the company or its partners, preventing the launch of such products. This would cause the company’s ability to generate revenue to decrease significantly. Moreover, Spago Nanomedical currently lacks the organizational prerequisites necessary to be able to develop and commercialize a product on its own, and depends, therefore, on being able to enter into agreements with partners. In the absence of a collaboration agreement, Spago Nanomedical may not be able to realize the full value of a product, or, as a result, to benefit from the progress made.

Suppliers for production and product development

Products for evaluation in regulatory preclinical and clinical studies must be manufactured in sufficient amounts and in such a manner that they meet high standards of quality. To that end, the company has collaborated with a manufacturer to develop the Tumorad’s candidate drug ^{177}Lu-SN201 and SpagoPix’s product candidate pegfosimer manganese for the clinical studies. Should the manufactured product material prove insufficient, or should additional manufacture be required for coming trials or market launch, there is a risk that the same supplier will not be able to meet the company’s need at a reasonable cost, or at all. A change of supplier is not only a complex, but also a highly timeconsuming and costly procedure.

Competition

Spago Nanomedical has projects in areas where there is already an established market, which means that the competition in the respective market of each project may be significant. Spago Nanomedical’s competitors include major international diagnostic and pharmaceutical companies, and many competitors have significantly greater resources than Spago Nanomedical in, for example, research and development, application procedures with relevant authorities, and marketing, and a better financial position overall. This may confer a market advantage on products developed by the company’s competitors. Should Spago Nanomedical or its partner(s) fail to compete effectively in the market, the company’s ability to generate revenue may decrease significantly

Intellectual property rights

Spago Nanomedical's conditions for success largely depend on the company's ability to obtain and maintain patent protection for the company's projects and keep its research confidential, to prevent others from using the company's inventions and proprietary information. Patents must be filed and protected in different jurisidictions, and granted patents may be contested, annulled or circumvented. Nor can it be ruled out that new patents in the field or new discoveries may affect the company's potential for future commercialization of its projects. Such a negative impact on future commercialization may have a negative impact on the company's financial position and future performance.

Regulatory review, legislation and regulations

Spago Nanomedical and future partners will not be able to market any of Spago Nanomedical's products without first obtaining approval from relevant authorities. Nor can it be ruled out that the authorities' approval processes can lead to requirements to conduct extended studies and present further documentation of the product. The marketing authorization process for a new project may take many years and usually requires extensive financial and other resources. If the necessary permits or approvals are not obtained, the Company's operations and results, and, in turn, the financial position of Spago Nanomedical may be adversely affected.

Capital needs

Drug and diagnostic development is usually capital intensive, and Spago Nanomedical may in the future need to seek external financing to continue its operations. There is a risk that new capital cannot be raised when the need arises or that it cannot be obtained on satisfactory terms for the company.

CORPORATE GOVERNANCE AND COMMITTEES

Corporate governance within Spago Nanomedical is based on applicable laws, rules and recommendations, such as the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), Nasdaq First North Growth Market's regulations and Spago Nanomedical's articles of association and internal rules and guidelines. As Spago Nanomedical's shares are not admitted to trading on a regulated market, the company is not obliged to apply the Swedish Code of Corporate Governance (the Code) but has adapted to the Code in parts where the Code is deemed to be relevant to Spago Nanomedical and its shareholders. In view of the company's current size and scope of operations, the Board has made the assessment that no special committees, such as audit and remuneration committees, are required.

Nomination Committee

The principal owners of Spago Nanomedical have established a Nomination Committee for the Annual General Meeting 2024, and at the Annual General Meeting on May 18, 2022, an instruction for the Nomination Committee's work was adopted. The Nomination Committee consists of Peter Lindell (Chairman), Eva Redhe and Mikael Lönn. The members of the Nomination Committee are not in receipt of any compensation from the company. The Nomination Committee's task is to submit proposals to the Annual General Meeting for the Chairman and other members of the Board, as well as proposals for fees and other remuneration to each of the Board members. The Nomination Committee shall also submit proposals for election and remuneration of auditors.

Board of Directors

According to the company's articles of association, the Board shall consist of between three and seven members and at least zero and at most seven alternates. The Board is elected annually at the Annual General Meeting, up until the end of the next Annual General Meeting. The Board currently consists of fyra ordinary members, the Chairman included.

The Board held 14 recorded meetings over the course of the year. Issues addressed are strategy and long-term focus, financing issues, reporting, and information and communication issues. In addition to the recorded meetings, the Chairman of the Board and other members of the Board have had continuous contact with the company's CEO.

The Board receives continuous reports on the company's earnings and financial position in accordance with established reporting instructions. The Board is responsible for the company's organization and management, and continuously assesses the company's financial situation. The Board of Directors has adopted a written framework of procedure, containing rules and guidelines for the division of work between the Board and the CEO.

PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

The following funds (SEK) are available to the Annual General Meeting:

Share premium reserve	270,559,375
Retained earnings	-208,941,016
Net profit or loss for the year	-42,252,209
Total	**19,366,150**

The Board of Directors proposes the following distribution of funds:

To be carried forward	19,366,150
Total	**19,366,150**

Financial information in summary

EXTRACTS FROM THE INCOME STATEMENT

	The Group	Parent company			
(Amounts in kSEK)	2023	2022	2021	2020	2019
Sales	5,931	2,765	2,277	1,473	848
Operating costs	-49,005	-45,925	-45,723	-26,207	-39,226
OPERATING RESULT	**-43,073**	**-43,160**	**-43,446**	**-24,734**	**-38,378**
NET PROFIT OR LOSS FOR THE YEAR	**-42,223**	**-42,892**	**-43,326**	**-24,700**	**-38,378**

EXTRACTS FROM THE BALANCE SHEET

	The Group	Parent company			
(Amounts in kSEK)	2023	2022	2021	2020	2019
Non-current Assets	1,078	853	1,075	1,078	828
Current assets	51,907	65,243	54,387	29,834	13,576
- of which cash and cash equivalents	45,217	62,101	52,460	28,448	12,149
TOTAL ASSETS	**52,985**	**66,096**	**55,462**	**30,913**	**14,404**
Equity	41,317	57,299	48,650	27,767	10,667
Provisions	191	-	-	-	-
Current liabilities	11,477	8,797	6,812	3,146	2,909
TOTAL EQUITY AND LIABILITIES	**52,985**	**66,096**	**55,462**	**30,913**	**13,576**

EXTRACTS FROM THE CASH FLOW STATEMENT

	The Group	Parent company			
(Amounts in kSEK)	2023	2022	2021	2020	2019
Cash flow from operating activities	-44,909	-41,882	-39,824	-24,538	-39,455
Cash flow from investing activities	-506	-134	-372	-611	-47
Cash flow from financing activities	28,530	51,657	64,208	41,448	35,180
ÅRETS KASSAFLÖDE	**-16,884**	**9,641**	**24,012**	**16,299**	**-4,322**

DATA PER SHARE

	The Group	Parent company			
	2023	2022	2021	2020	2019
Earnings per share before and after dilution, SEK	-0,43	-0,67	-1,10	-0,91	-1,91
Equity per share before dilution, SEK	0,19	0,63	1,18	0,88	0,51
Average number of shares before dilution[1]	97,978,083	63,810,559	39,410,870	27,177,699	20,084,320
Average number of shares after dilution[1]	104,954,588	64,173,887	39,973,422	27,740,251	21,438,641
Number of shares at the end of the period	219,507,121	90,943,723	41,182,287	31,544,517	21,029,678

1. Subscribed but not registered shares are included

OTHER KEY INDICATORS

	The Group	Parent company			
	2023	2022	2021	2020	2019
Average number of employees	13	15	16	15	17
Equity ratio %	78.0	86.7	87.7	89.8	78.6

Income statement

(Amounts in kSEK)	Note	The Group 2023	Parent company 2023	Parent company 2022
Operating income				
Net sales	4	1,203	3,098	1,054
Other operating Income	3	4,728	1,536	1,711
Total income	**2**	**5,931**	**4,634**	**2,765**
Operating costs				
Project costs		-24,486	-18,268	-20,353
Other external costs	5, 6	-7,958	-7,620	-8,071
Personnel costs	7	-15,711	-15,711	-16,765
Depreciation/amortization of fixed assets	9	-281	-271	-356
Other operating costs	8	-568	-533	-380
Total operating costs		**-49,005**	**-42,402**	**-45,925**
OPERATING RESULT		**-43,073**	**-37,768**	**-43,160**
Financial items				
Other operating income and similar items		850	845	268
Impairment of financial assets	10	-	-5,329	-
Total financial items		**850**	**-4,484**	**268**
PROFIT OR LOSS AFTER FINANCIAL ITEMS		**-42,223**	**-42,252**	**-42,892**
PROFIT OR LOSS FOR THE YEAR		**-42,223**	**-42,252**	**-42,892**

Balance sheet

ASSETS		The Group	Parent company	
(Amounts in kSEK)	Note	2023-12-31	2023-12-31	2022-12-31
NON-CURRENT ASSETS	2			
Tangible assets				
Equipment, tools, fixtures and fittings	9	925	832	853
Total tangible assets		**925**	**832**	**853**
Financial assets				
Shares in group companies	10	-	3,070	1
Other long-term receivables		153	153	-
Total financial assets		**153**	**3,223**	**1**
TOTAL NON-CURRENT ASSETS		**1,078**	**4,055**	**853**
CURRENT ASSETS				
Current receivables				
Accounts receivable		370	370	49
Other current receivables		990	652	662
Prepaid expenses and accrued income	11	5,331	1,478	2,431
Total current receivables		**6,690**	**2,500**	**3,141**
Cash and cash equivalents		45,217	42,757	62,101
TOTAL CURRENT ASSETS		**51,907**	**45,257**	**65,243**
TOTAL ASSETS		**52,985**	**49,312**	**66,096**

EQUITY AND LIABILITIES		The Group	Parent company	
(Amounts in kSEK)	Note	2023-12-31	2023-12-31	2022-12-31
Restricted equity				
Share capital		18,859		
Not registered share capital		3,091		
Other contributed capital		270,559		
Translation difference		-29		
Other equity incl. profit/loss		-251,164		
Restricted equity				
Share capital	12		18,859	90,944
Not registered share capital			3,091	-
Total restricted equity			**21,951**	**90,944**
Non-restricted equity				
Share premium reserve			270,559	257,146
Retained earnings			-208,941	-247,899
Net profit or loss for the year			-42,252	-42,892
Total non-restricted equity			**19,366**	**-33,644**
TOTAL EQUITY	2	**41,317**	**41,317**	**57,299**
Provisions				
Provisions for pensions		153	153	-
Other provision		38	38	-
Total provisions		**191**	**191**	**-**
Current liabilities				
Accounts payables		6,391	2,814	4,725
Other current liabilities		448	448	494
Accruals and deferred income	13	4,638	4,542	3,577
Total current liabilities		**11,477**	**7,804**	**8,797**
TOTAL EQUITY AND LIABILITIES		**52,985**	**49,312**	**66,096**

Cash flow statement

(Amounts in kSEK)	Note	The Group 2023	Parent company 2023	Parent company 2022
Operating result		-43,073	-37,768	-43,160
Adjustments for non-cash items	14	472	462	356
Interest received		850	845	268
Cash flow from operating activities before change in working capital		**-41,751**	**-36,461**	**-42,536**
Increase/Decrease in operating receivables		-3,578	642	-1,215
Increase/Decrease in operating liabilities		420	-3,254	1,869
Cash flow from operating activities		**-44,909**	**-39,073**	**-41,882**
Investments in intangible assets		-353	-249	-134
Investments in tangible assets		-153	-8,552	-
Cash flow from investing activities		**-506**	**-8,801**	**-134**
Share issue	15	28,530	28,530	51,657
Cash flow from financing activities		**28,530**	**28,530**	**51,657**
Cash flow for the year		-16,884	-19,344	9,641
Cash and cash equivalents at the beginning of the year		62,101	62,101	52,460
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**45,217**	**42,757**	**62,101**

Changes in equity

The Group

(Amounts in kSEK)	Note	Share capital	Not reg. share capital	Development fund	Other contributed capital	Translation difference	Other equity incl. profit/loss	Total equity
Opening balance, 2023-01-01		**90,944**	**-**	**-**	**257,146**	**-**	**-290,790**	**57,299**
Reduction of share capital		-81,849					81,849	-
Share issue		9,765	3,091		17,999			30,855
Issue cost					-4,585			-4,585
Translation difference						-29		-29
Profit or loss for the year							-42,223	-42,223
Closing balance, 2023-12-31		**18,859**	**3,091**	**-**	**270,559**	**-29**	**-251,164**	**41,317**

Parent company

(Amounts in kSEK)	Note	Share capital	Not reg. share capital	Development fund	Share premium reserve	Retained earnings	Profit or loss for the year	Total equity
Opening balance, 2022-01-01		**41,182**	**-**	**84,418**	**255,366**	**-157,083**	**-39,071**	**184,812**
Change of accounting principle	2			-84,418		-51,744		-136,162
Adjusted opening balance 2022-01-01		41,182	-	-	255,366	-208,827	-39,071	48,650
Appropriations of profit/loss according to the AGM's resolution						-39,071	39,071	-
Share issue		49,761			9,952			59,713
Issue cost					-8,172			-8,172
The result of the period							-42,892	-42,892
Closing balance, 2022-12-31		**90,944**	**-**	**-**	**257,146**	**-247,899**	**-42,892**	**57,299**

Parent company

(Amounts in kSEK)	Note	Share capital	Not reg. share capital	Development fund	Share premium reserve	Retained earnings	Profit or loss for the year	Total equity
Opening balance, 2023-01-01		**90,944**	**-**	**-**	**257,146**	**-247,899**	**-42,892**	**57,299**
Appropriations of profit/loss according to the AGM's resolution						-42,892	42,892	-
Reduction of share capital		-81,849				81,849		-
Share issue		9,765	3,091		17,999			30,855
Issue cost					-4,585			-4,585
The result of the period							-42,252	-42,252
Closing balance, 2023-12-31		**18,859**	**3,091**	**-**	**270,559**	**-208,941**	**-42,252**	**41,317**

Notes

NOTE 1 - ACCOUNTING PRINCIPLES

This annual report is prepared in accordance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards board BFNAR 2012:1 Annual accounts and consolidated financial statements (K3).

CONSOLIDATED ACCOUNTS

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 consolidated financial statements use Swedish krona (SEK), which is the parent company's functional and reporting currency.

Subsidiary

The acquisition value for subsidiaries is calculated as the aggreated fair value at the time of acquisition for paid assets including incurred and assumed liabilities as well as issued equity instruments, expenses that are directly attributable to the acquisition and any additional purchase price. In the acquisition analysis, the fair value is determined, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities as well as minority interest. Minority interest is valued at fair value at acquisition date.

Recalculation of foreign subsidiaries

The financial statements of foreign subsidiaries have been recalculated according to the current rate method. All items in the balance sheet have been converted to the balance sheet exchange rate. All items in the income statement have been converted to average exchange rates during the financial year. Differences that arise are reported directly in equity.

FOREIGN CURRENCY

Receivables and liabilities in foreign currency are valued at the exchange rate at the balance sheet date.

FIXED ASSETS

Tangible fixed assets are recognized at the acquisition value less accumulated depreciation according to plan. Depreciation according to plan takes place systematically across estimated economic life. Tangible fixed assets are depreciated from the time they are put into operation. The following depreciation periods are applied:

• Equipment, tools, fixtures and fittings, 5 years

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet in accordance with the contractual terms of the instrument. A financial asset is derecognized from the balance sheet when the contractual right to cash flow from the asset ceases, is regulated, or when the company loses control of it. A financial liability, or part thereof, is removed from the balance sheet when the contractual obligation is fulfilled or otherwise terminated. The company's financial assets and liabilities comprise cash and cash equivalents and accounts payable as per year-end.

When valuing after the first accounting date, current assets are valued according to the principle of lowest value, that is, the lower of the acquisition value and net sales on the balance sheet date. Accounts receivable are valued at cost, less deductions for expected losses. Accounts payable and other non-interestbearing liabilities are valued at nominal amounts. Long-term liabilities are valued at the accrued acquisition value after the first accounting date.

IMPAIRMENT

At the time of each report, an assessment is made as to whether there is any indication of a decrease in the value of the company's assets. If so, the recoverable amount of the asset is calculated. The recoverable amount is the highest of net realizable value and value in use. The value in use is calculated and is based on an estimate of the future payments that the asset is expected to give rise to in its current operations. However, impairment testing is more frequent if there are indications that impairment has occurred. Impairment losses are recognized through the income statement. Impairment losses are reversed if changes have occurred in the assumptions that led to the original impairment, and this means that the impairment is no longer justified. Such reversals are recognized in the income statement.

REVENUE RECOGNITION

The company's net sales emanate primarily from sale of services. Revenue recognition of service assignments is made when the financial outcome for service work performed can be reliably calculated and the financial benefits accrue to the company.

PUBLIC CONTRIBUTIONS

Public grants not linked to future performance requirements are recognized as revenue when the conditions for receiving the grant are met. Public grants associated with requirements for future performance are recognized as revenue when that performance takes place. If the grant has been received before the conditions for reporting revenue have been met, the received grant is recognized as a liability. Public grants that support covering costs are reported as other income.

RESEARCH AND DEVELOPMENT WORKS

Expenses relating to development projects attributable to the construction and testing of new or improved products are expensed as they arise. The company has, per year-end, changed the accounting principle from the capitalization model to the cost accounting model, see further under Note 2.

BENEFITS TO EMPLOYEES

Compensation in the form of salary, paid vacation, paid sick leave, etc. and pensions are recognized as they are earned. For defined contribution pensions, the company pays fixed fees to a separate independent legal entity.

Provision for pensions and similar obligations

The company has pension pledges that are secured by capital insurance that is pledged to the beneficiary. In the balance sheet, the obligation is reported net with the corresponding amount for the endowment insurance value.

LEASES

Leasing agreements where all risks and benefits associated with ownership do not fall on the company are classified as operating leasing agreements. Leasing fees relating to these are recognized as an expense in the income statement and are distributed linearly over the term of the agreement.

CASH FLOW STATEMENT

The cash flow statement is drawn up using an indirect method. Reported cash flow only covers transactions that involve incoming or outgoing payments. Cash and bank balances are classified as cash and cash equivalents.

FINANCIAL RISKS

The company's financial risks include liquidity risk, i.e., a risk that the company will have difficulty obtaining liquid funds to meet commitments associated with the business. Liquidity is monitored and forecasted in the company on an ongoing basis. If, in the longer term, the company fails to generate revenue or raise new capital, a liquidity shortage may occur. There is no exposure to interest rate risk as no holdings of any such instruments exist. Spago Nanomedical's cash and cash equivalents are today placed in a bank account. See further in the Director's Report under the section 'risk factors'.

IMPORTANT ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

Certain assumptions about the future and certain estimates and judgments as of the balance sheet date have particular significance for the valuation of the assets and liabilities in the balance sheet. Company management assesses that none of the asset and liability amounts reported are associated with a risk of having to be adjusted to a significant degree during the coming year.

TAX

Income tax refers to all taxes that are based on the company's earnings. The taxable result is the surplus or deficit for a period that forms the basis for calculating current tax for the period, according to current legislation. The tax expense or tax revenue for the period consists of current and deferred tax. Deferred tax liability or deferred tax assets are taxes that relate to taxable or deductible temporary differences, resulting in or reducing tax in the future. A deferred tax asset is recognized only to the extent of the probability that tax deficits can be offset by any future tax surplus.

In accounting, no deferred tax assets have been reported due to difficulty in assessing the probability in size and timing of future revenue streams.

It should be added that the possibility of utilizing loss deductions could be affected by, among other things, changes in ownership structure, so it cannot be ruled out that some loss deductions may lapse.

FORECASTS

The Company does not present any forecasts.

NOTE 2 - CHANGE OF ACCOUNTING PRINCIPLE

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

EFFECTS IN THE INCOME STATEMENT (Amounts in kSEK)	2023			2022		
	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	6,460	-3,695	2,765
PROFIT/LOSS FOR THE PERIOD	**-37,263**	**-4,959**	**-42,223**	**-39,197**	**-3,695**	**-42,892**

EFFECTS IN THE BALANCE SHEET (Amounts in kSEK)	2023-12-31			2022-12-31		
	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	-	139,857	-139,857	-
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**

NOTE 3 - OTHER OPERATING INCOME

	The Group	Parent company	
(Amounts in kSEK)	**2023**	**2023**	**2022**
Australian innvovation support for development work	3,192	-	-
Research deduction from employer contributions	1,247	1,247	1,439
Other government grants	-	-	16
Other operating income	289	289	256
Total	**4,728**	**1,536**	**1,711**

NOTE 4 - PURCHASES AND SALES TO SUBSIDIARY

	Parent company	
(Amounts in kSEK)	**2023**	**2022**
Sales to subsidiary	1 895	-
Total	**1 895**	**-**

NOTE 5 - AUDITOR'S FEE

(Amounts in kSEK)	The Group 2023	Parent company 2023	Parent company 2022
BDO Mälardalen AB			
Audit assignment	-230	-230	-240
Other audit engagements separate from audit assignment	-98	-98	-24
Total	**-328**	**-328**	**-264**

Audit assignments refer to the examination of the company's annual report and accounts and the administration of the company's affairs by the Board of Directors, other tasks which are for the company's auditor to perform, and consultation and other assistance in response to observations made during the aforementioned examination and other tasks.

NOTE 6 - OPPERATION LEASING

Opperating leasing agreement refersto premises rent.

(Amounts in kSEK)	The Group 2023	Parent company 2023	Parent company 2022
Current year's leasing fees	-2,845	-2,845	-2,354
Future minimum fees for non-cancelable leases are due as follows:			
within 1 year	-2,771	-2,771	-2,620
Between 2 to 5 years	-8,080	-8,080	-8,430
Later than 5 years	-	-	-
Total	**-9,051**	**-9,051**	**-11,050**

NOTE 7 - STAFF AND SENIOR MANAGEMENT

AVERAGE NUMBER OF EMPLOYEES	The Group 2023	Parent company 2023	Parent company 2022
Women	6	6	7
Men	6	6	8
Total	**13**	**13**	**15**

GENDER DISTRIBUTION OF SENIOR MANAGEMENT Spago Nanomedical AB	2023 Vid årets slut	2023 Of which women	2022 Vid årets slut	2022 Of which women
Board of Directors	4	1	5	1
CEO and other senior executives	4	1	4	1
Total	**8**	**2**	**9**	**2**

SALARIES AND OTHER REMUNERATIONS	The Group 2023	Parent company 2023	Parent company 2022
Board of Directors and CEO	-2,430	-2,430	-2,214
Other senior management	-2,906	-2,906	-2,770
Other employees	-4,347	-4,347	-5,562
Total	**-9,683**	**-9,683**	**-10,546**
Social security contributions	-3,464	-3,464	-3,736
Pension costs	-1,950	-1,950	-2,031
Total social security contributions and pension costs	**-5,414**	**-5,414**	**-5,767**
Total salaries, remunerations, social security contributions and pension costs	**-15,097**	**-15,097**	**-16,313**

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

2023 (Amounts in kSEK)	Base pay	Other benefits	Pension	Total
Members of the board				
Hans Arwidsson	200	-	-	**200**
Kari Grönås	132	-	-	**132**
Peter Leander	32	-	-	**32**
Sten Nilsson	32	-	-	**32**
Alan Raffensperger	100	-	-	**100**
Eugen Steiner	67	-	-	**67**
Nicklas Westerholm	132	-	-	**132**
Management				
CEO Mats Hansen	1,736	8	657	**2,402**
Other senior management (3)	2,906	-	820	**3,726**
Total	**5,336**	**8**	**1,477**	**6,821**

2022 (Amounts in kSEK)	Base pay	Other benefits	Pension	Total
Members of the board				
Sten Nilsson	95	-	-	**95**
Peter Leander	95	-	-	**95**
Kari Grönås	95	-	-	**95**
Eugen Steiner	200	-	-	**200**
Nicklas Westerholm	95	-	-	**95**
Management				
CEO Mats Hansen	1,634	7	436	**2,077**
Other senior management (3)	2,770	-	887	**3,657**
Total	**4,984**	**7**	**1,323**	**6,314**

Terms for the Board of Directors
The fees to board members, including the Chairman of the Board, are resolved upon by the annual General Meeting. The Annual General Meeting on May 10, 2023, resolved that directors' fees up until the end of the next Annual General Meeting shall, as proposed by the Nomination Committee, be paid in the amount of kSEK 300 (200) to the Chairman of the Board and kSEK 150 (95) to each of the other board members. No additional remuneration has been paid to the members or the Chairman of the Board during 2023 or 2022, and the company has no provisioned or accrued amounts for provisioning for pensions, benefits or the like after the termination of service or assignment for any of the Board members or the Chairman of the Board.

Terms for the CEO
The CEO's employment has a nine months period of notice when terminated by either party. No contractual severance payment is awarded. The CEO has the right to reallocate his salary within the salary space in favor of other remuneration instead. The company must provide health insurance in accordance with the company's policy at all times.

NOTE 8 - OTHER OPERATING COSTS

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Foreign exchange losses	-568	-533	-380
Total	**-568**	**-533**	**-380**

NOTE 9 - EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Acquisition value, opening balance	4,446	4,446	4,312
Acquisitions	353	249	134
Accumulated acquisition value, closing balance	**4,799**	**4,695**	**4,446**
Depreciation, opening balance	-3,593	-3,593	-3,237
Depreciations	-281	-271	-356
Accumulated depreciation, closing balance	**-3,874**	**-3,864**	**-3,593**
Closing balance at the end of the year	**925**	**832**	**853**

NOTE 10 - SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Name (Amounts in kSEK)	Registration number	Domicile	Ownership percent[1]	Equity	Profit/loss f or the year
Spago Nanomedical AU Pty Ltd	45664495283	Adelaide, Australien	100%	3 070	-5 300

(Amounts in kSEK)	2023	2022
Acquisition value, opening balance	1	-
Acquisitions	-	1
Share issues	8 399	-
Accumulated acquisition value, closing balance	**8 400**	**1**
Impairment value, opening balance	-	-
Impairment for the year[2]	-5 329	-
Accumulated impairment value, closing balance	**-5 329**	**-**
Closing balance at the end of the year	**3 070**	**1**

1. Refers to the ownership share of the capital, corresponding to the voting share of the total number of shares.
2. Reduction is made on an ongoing basis to the subsidiary's recognised net assets.

NOTE 11 - PREPAID EXPENSES AND ACCRUED INCOME

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Accrued innovation support	1,731	-	-
Prepaid project costs	2,047	-	-
Övriga poster	1,553	1,478	2,431
Total	**5,331**	**1,478**	**2,431**

NOTE 12 - NUMBER OF SHARES AND SHARE CAPITAL

	B shares		Share capital (Amounts in kSEK)	
	2023	2022	2023	2022
Opening number of shares	90,943,723	41,182,287	90,944	41,182
Share issue registered on 2022-07-19	-	48,682,275	-	48,682
Share issue registered on 2022-07-20	-	1,079,161	-	1,079
Reduction of share capital	-	-	-81,849	-
Share issue registered on 2023-12-12	96,407,878	-	9,641	-
Share issue registered on 2023-12-15	1,242,186	-	124	-
Total	**188,593,787**	**90,943,723**	**18,859**	**90,944**

As of 31 December 2023, the number of registered shares was 188,593,787 and the number of registered warrants of series TO12 was 96,407,878. Registration of additional 30,913,334 shares and warrants was done in January 2024, after obtaining the required approvals from the Inspectorate for Strategic Products ('ISP'). The share capital from these shares is reported as Unregistered share capital by year-end.

Warrants of series TO12 entitle the holder to subscribe for one new share in the company for each warrant during the exercise period 17 May 2024 up to and including 30 May 2024 at a subscription price equal to 70 percent of a volume-weighted average share price of the company's share during a period of 10 trading days prior to the exercise period, however, not less than SEK 0.20 per share and not more than SEK 0.80 per share.

NOTE 13 - ACCRUALS AND DEFERRED INCOME

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Accrued holiday pay incl. social security contributions	1 445	1 445	1 502
Accrued issue costs	2 261	2 261	-
Accrued board fees incl. social security contributions	82	82	58
Other items	850	754	2 017
Total	**4 638**	**4 542**	**3 577**

NOTE 14 - ITEMS NOT INCLUDED IN CASH FLOW

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Depreciation	281	271	356
Provisions	191	191	-
Total	**472**	**462**	**356**

NOTE 15 - CASH FLOW FROM NEW ISSUES OF SHARES

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Share issue registered 2022-07-19	-	-	58,419
Share issue allotment decision 2023-11-27	30,855	30,855	-
Issue costs[1]	-2,325	-2,325	-6,762
Total	**28,530**	**28,530**	**51,657**

1. Some guarantors in the rights issue chose to receive compensation in the form of new shares. These transactions thus did not generate a cash flow impact.

NOTE 16 - RECONCILIATION OF EFFECTIVE TAX

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Profit or loss before tax	-42,223	-42,252	-42,892
Tax under applicable tax rate 20,6% (20,6%)	8,698	8,704	8,836
Impact of other tax rates on foreign subsidiary	233	-	-
Non-deductible expenses	-54	-1,144	-5
Non-taxable income	805	-	-
Tax adjustments[1]	27,946	29,755	1,683
Tax effect on loss carry-forward not capitalized	-37,628	-37,315	-10,515
Total	**-**	**-**	**-**

1. Refers mainly to effects related to the change in accounting policy, see Note 2, as well as issue expenses. The Group's loss carryforwards amount to kSEK 389,500 (kSEK 207,108).

NOTE 17 - STÄLLDA SÄKERHETER

	The Group	Parent company	
(Amounts in kSEK)	2023	2023	2022
Pledged endowment insurance for pension obligations	153	153	-
Total	**153**	**153**	**-**

NOTE 18 - RELATED PARTY TRANSACTIONS

Chairman of the board, Hans Arwidsson, has during 2023 provided consulting services to the company within business development, totalling remuneration of kSEK 102 (kSEK 0). Transactions with related parties have been made according to agreement based on market terms.

NOTE 19 - ROPOSED APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

(Amounts in kSEK)	2023
The following funds (SEK) are available to the Annual General Meeting:	
Share premium reserve	270,559,375
Retained earnings	-208,941,016
Net profit or loss for the year	-42,252,209
Total	**19,366,150**
The Board of Directors proposes the following distribution of funds:	
To be carried forward	19,366,150
Total	**19,366,150**

NOTE 20 - SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Strengthens management with Head of CMC & Supply
  Spago Nanomedical strengthens management by the appointment of Birgitta Rembratt Svensson as Head of CMC & Supply. Birgitta, an experienced CMC project manager with several leading positions at development and commercial stage pharmaceutical companies, will join Spago Nanomedical on June 1 and serve as a member of the management team.

- Favourable data in breast cancer model with Tumorad ^{177}Lu-SN201 demonstrates significant anti-tumor effect in a non-clinical triple-negative breast cancer model compared to several cancer drugs[1] with a low and acceptable level of radiotoxicity observed.

1. anti PD-1 and anti-CTLA-4 (immune checkpoint inhibitors), Niraparib (PARP-inhibitor), Paclitaxel (taxanes), and Carboplatin (platinumbased chemotherapy)

Signatures

Lund, May 16, 2024

Hans Arwidsson
Chairman of the Board

Mats Hansen
Chief Executive Officer

Kari Grønås

Alan Raffensperger

Nicklas Westerholm

Our auditor's report was submitted on May, 16, 2024

BDO Mälardalen AB

Jörgen Lövgren
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Spago Nanomedical AB (publ) Corporate identity number 556574-5048

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Spago Nanomedical AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 23-38 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

CONTENTS

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Spago Nanomedical AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Sollentuna on May 16, 2024

BDO Mälardalen AB

Jörgen Lövgren
Authorized Public Accountant

Glossary and financial definitions

GLOSSARY

BREAST TOMOSYNTHESIS
A type of tomography that can provide great benefits for breasts that are rich in glands. Tomosynthesis means that a number of X-ray images are taken from different angles, and then slices (”cuts”) of the chest are mathematically reconstructed. In normal mammography images, there is a risk that tumors are hidden by glandular tissue.

CT
Computed Tomography, or CT-scan, is a special kind of x-ray device that transmits multiple small x-rays from different angles through the body (as opposed to ordinary x-rays where only a single x-ray is sent through the body). This creates multiple crosssectional images of the part of the body being scanned, giving an image in three dimensions.

CLINICAL STUDY
Studies conducted in humans during the development of drugs and contrast agents to study safety and efficacy. Clinical studies are required to obtain regulatory approval for drugs and contrast agents.

Phase I studies are small studies, often with healthy volunteers, aimed at demonstrating that the drug or contrast agent is safe for human use.

Phase II studies are done with patients who have a relevant disease to determine the correct dose of the drug or contrast agent and to demonstrate that the intended effect can be achieved.

Phase III studies include a larger number of patients and aim to demonstrate that the drug or contrast agent provides a statistically reliable effect or improved diagnosis (for contrast agents).

Phase IV studies are carried out after the product has been approved by the authorities to document long-term effects, any unusual side effects and to support the marketing of the product.

MAMMOGRAPHY
An X-ray examination of breasts using X-rays (ionizing radiation).

MRI
Magnetic resonance tomography, a medical imaging technique using a magnetic resonance tomograph (magnetic camera, MRI camera). The technology is used to detect, determine the location of and classify certain diseases and injuries that are hidden or difficult to see in X-ray or computed tomography examination. MRI is also recommended as an alternative to X-ray, where possible, since the technology does not use X-rays (ionizing radiation).

PET
Positron emission tomography is a method of examining various functions in the body using radioactively labeled biochemical substances. The radioactive substances emit signals that are recorded and converted into a layered X-ray image.

PRECLINICAL STUDY
Studies performed on cells, subcellular components, organs or laboratory animals. These studies aim to demonstrate the efficacy and safety of a drug or contrast agent. Documented preclinical studies to study the safety of the drug or contrast agent are required by the authorities to start clinical studies.

RADIONUCLIDE
A radioactive nuclide of a certain element. The word nuclide comes from the Latin ”nucleus”, meaning core. A nuclide is an atomic nucleus with a certain number of protons and neutrons. Nuclide is often used synonymously with isotope, which, however, is not completely chemically correct.

SCREENING
Programs that examine risk groups on a larger scale to try to identify people with a particular disease, e.g. mammography screening aimed at finding women with breast cancer.

ULTRASOUND
The ultrasound method is based on technology where highfrequency sound waves are emitted across the area to be examined. The body sends back an echo that is recorded and converted into images. The examination is performed by a radiologist who interprets the images while the examination is ongoing.

FINANCIAL DEFINITIONS

EQUITY RATIO
Equity in relation to the balance sheet total

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

EARNINGS PER SHARE AFTER DILUTION
Result for the year 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 where a conversion results in lower loss per share.

EQUITY PER SHARE BEFORE DILUTION
Equity in relation to the number of shares at year-end

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on June 10, 2024.

Notice will be press released, announced in the Swedish Gazette (“Post- och Inrikes Tidningar”) and published on the website of Spago Nanomedical, www.spagonanomedical.se

CALENDAR

Annual General Meeting	June 10, 2024
Interim report Q2 2024	August 21, 2024
Interim report Q3 2024	November 6, 2024

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