



**NeoDynamics AB (publ)**  
**Full Year Report**

1 January - 31 December 2023

# Cost Reduction Plan Implemented

## Fourth Quarter 2023

- Revenues amounted to SEK 621 (130) thousand, of which SEK 204 (0) thousand were net sales.
- Net loss amounted to SEK -17,863 (-26,857) thousand.
- Loss per share amounted to SEK -0.03 (-0.22).
- Cash and cash equivalents amounted to SEK 2,301 (20,067 prior year) thousand.

## Full Year 2023

- Revenues amounted to SEK 1,851 (902) thousand, of which SEK 321 (135) thousand were net sales.
- Net loss amounted to SEK -91,938 (-74,516) thousand.
- Loss per share amounted to SEK -0.30 (-0.73).
- Cash and cash equivalents amounted to SEK 2,301 (20,067 prior year) thousand.

## Significant events during the quarter

- NeoDynamics received a new order from large hospital in Germany, Western Rhineland-Palatinate Hospital.
- NeoDynamics presented NeoNavia® at the British Society of Breast Radiology meeting in Belfast on 5-7 November 2023.
- The Board of Directors of NeoDynamics had assessed the current financial situation of the company as critical and were in discussions to secure short and long-term financing. A result of this has been that the Board of Directors and Management Team have decided to streamline the companies operations, through a cost reduction plan.
- NeoDynamics received approximately SEK 0.5 million through the exercise of warrants of series T02.
- NeoDynamics secured short-term financing by means of a SEK 10 million loan.
- NeoDynamics launched a device registry in Germany, a cost-effective collection of real-world data.
- It was announced that as a consequence of the cost reduction plan announced in November, Aaron Wong, CFO will be leaving NeoDynamics by end of May 2024.

## Significant events after the end of the quarter

- In January 2024, NeoDynamics announced that subject to the EGM, it intended to carry out a Rights Issue of shares in an amount of up to approximately SEK 25 million to finance commercialization and marketing activities and also intends to carry out a reverse split.
- NeoDynamics AB (publ) held an Extraordinary General Meeting on 2 February 2024, and resolved on the Rights Issue and a reverse share split.
- NeoDynamics secured short-term financing by means of a second loan for SEK 15 million.

## Cost reduction plan implemented, short-term financing secured



As announced in November, we have implemented a cost reduction plan which means that we are now operating with a reduced headcount and cost structure. We have matched staffing levels to our current situation, while maintaining an appropriate presence in our target markets.

We firmly believe we are close to a commercial breakthrough and final proof of concept in the US based on positive customer feedback and ongoing dialogue with leading hospitals and cancer centres. However, the process has been more time consuming than anticipated in the procurement area, and we have therefore had to balance our cash, costs, and commercial activities in the short term.

The cost savings will be visible from March 2024 onwards, and will have full effect in the second half of 2024.

### All needles available for sale and delivery in target markets

Our full suite of needles; VacuPulse, CorePulse and FlexiPulse are now available for sale and delivery in all our targeted markets in Europe, while the FlexiPulse and VacuPulse needles are available in the US. We have built small interim stocks in the UK and the US by the end of December to be able to deliver to end-customers outside the EU without further delays.

The CorePulse needles are high in demand in Europe and are working well. However, the CorePulse needle is also the most price sensitive product in our portfolio, i.e. the price pressure is high. The VacuPulse and FlexiPulse needles have another competitive environment, and we can offer these needles at a different price structure.

The VacuPulse needle is anticipated to be the most used in the US, and it comes with both advanced features, and we can offer these needles with a different price structure. Due to implemented product improvements, the delivery of the VacuPulse needle was delayed until the end December 2023, and sales in 2023 has therefore been limited.

We are currently working with 18 medical centres in UK and 23 medical centres in the DACH region. So far, they have been testing our biopsy system and needles in pilot studies and are now in the process of

making decisions to buy base units for future use. During the trial period, the centres have paid for needles but have rented the base unit and driver. We count on closing our pilots during this Q1 2024, as they have had time to also evaluate the VacuPulse needle.

In the US, we are in negotiations with “Tier One Hospitals”, and we are confident that this will result in a commercial break-through soon. However, getting through procurement and compliance at these hospitals is extremely time consuming for a first order.

The most important imminent milestone for us is to get a commercial breakthrough in the US, which means that we will have demonstrated a commercial proof of concept.

The next milestone is to develop and adapt our product offering to other indications such as prostate, liver head and neck precision biopsy.

### Financing

To secure funding for operations in Europe and the commercial launch of NeoNavia in the US, we have raised capital in several steps during 2023. In total, we have raised approximately SEK 88 million through a combination of loans and rights issues. The Board and Management are pursuing a long-term solution that will secure sufficient capital to continue the commercialisation of NeoNavia® in Europe and the US.

In the short-term, we have approval from the EGM to press ahead with the Rights Issue, which is fully guaranteed to 100%. With this raise of approximately SEK 25 million, we will be able to continue to focus on the milestones we need to achieve our proof of concept in all key markets.

CEO Anna Eriksrud

# Financial overview

## Revenue and earnings

Revenues during the quarter amounted to SEK 621 (130) thousand, and for the full year SEK 1,851 (902) thousand, of which net sales were SEK 204 (0) thousand and SEK 321 (135) thousand respectively. Development costs for NeoNavia, related to personnel costs, were capitalized with SEK 0 (0) thousand during the quarter. Deliveries have been resumed to customers and all three needles are now available.

Cost of goods were SEK 832 (752) thousand during the quarter and SEK 1,130 (947) thousand for the full year. Other external costs decreased to SEK 8,687 (14,755) thousand for the quarter and increased to SEK 43,597 (38,239) thousand for the full year, mainly reflecting higher costs for the preparation of the commercialisation in the US market, in the first half of the year.

Personnel costs remained flat at SEK 5,355 (5,355) thousand during the quarter and increased SEK 28,275 (16,321) thousand for the full year, an effect of several new employees joining the business during 2023, and overaccruals for bonuses released during the quarter.

Operating loss amounted to SEK 18,994 (25,459) thousand for the quarter and SEK 90,460 (73,232) thousand for the full year, whereas EBITDA, i.e., operating profit excluding depreciation, amounted to SEK -14,422, (-20,900) thousand for the quarter and SEK -72,164 (-55,088) thousand for the full year.

## Financial position

Cash and cash equivalents at the end of the period amounted to SEK 2,301 thousand (SEK 20,067 thousand prior year). The loan of SEK 10 million received in December 2023, and the second loan of SEK 15 million received in January, both from Salenterprise, positively impact our working capital and secure the immediate financing needs of the business up until the rights issue, which is planned in March 2024.

The Board of Directors assesses that there is uncertainty about the company's going concern. The rights issue is guaranteed to 100% by Salenterprise, further securing the short term financing needs of the company. In the long term, the board and management are actively working toward securing the business by investigating partnerships and/early discussions about a potential sale of the company, whilst focusing on the organic commercialisation of the business.

Group Cash flow from operating activities before changes in working capital amounted to SEK -14,514 (-19,911) thousand and after changes in working capital to SEK -11,859 (-19,594) thousand. The total cash flow amounted to SEK -2,326 (-19,855) thousand.

At the end of the reporting period, the equity to assets ratio was 65 (90) percent and equity amounted to SEK 42,078 (84,571) thousand.

## The share

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

On December 31, 2023 the number of shares in NeoDynamics AB amounted to 724,595,094, up from 120,501,184, at year-end 2022. A rights issue of 604,093,910 shares was completed during the second quarter of 2023, changing the share capital by SEK 6,605 to SEK 12,056,723.

On December 31, 2023, the number of shares in the company was 724,595,094 and the last price paid in the period was SEK 0.022.



## Shareholders

On December 31<sup>st</sup> 2023, the company had a total of 3,864 shareholders, compared with 3,105 the year before. The 10 largest shareholders on that date are listed in the table below.

Name	Shareholding	Ownership
Gryningskust Holding AB	238,065,602	32.9%
Rentability Sweden AB	28,781,308	4.0%
Six Sis AG	27,627,361	3.8%
Försäkringsaktiebolaget Avanza Pension	24,594,635	3.4%
Huasheng Fang	13,631,896	1.9%
Humlan Fastighetsutveckling AB	12,176,010	1.7%
Svensk Filial Ålandsbanken Abp (finland)	11,343,953	1.6%
Calyptra AB	10,389,249	1.4%
Mikael Lönn	9,984,312	1.4%
Your Thing Entertainment AB	7,949,633	1.1%
Others	340,051,135	46.9%

### Financial Calendar 2024

Annual Accounts 2023	2024-02-16
Interim Report Q1	2024-05-07
Annual Report 2023	2024-05-01
Annual General Meeting	2024-05-22
Interim Report Q2	2024-08-20
Interim Report Q3	2024-11-19

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

## Risks and uncertainties

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

## Accounting principles

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

## Review of the report

This interim report has been reviewed by the company's auditor.

## Interim report submitted

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

Lidingö on February 16, 2024

Anna Eriksrud  
CEO

Ingrid Salén  
Chairman of the Board

Carina Bolin  
Board member

Matthew E. Colpoys Jr  
Board member

Claes Pettersson  
Board member

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The company's Certified Adviser is Redeye AB.

## Consolidated Income statement - Condensed

Amount in SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	204	0	321	135
Work performed by the Company for its own use and capitalized	0	0	430	214
Other operating income	417	130	1,100	553
	<b>621</b>	<b>130</b>	<b>1,851</b>	<b>902</b>
Cost of goods	-1,121	-752	-1,419	-947
Other external costs	-8,771	-14,755	-43,681	-38,239
Personnel costs	-5,355	-5,355	-28,275	-16,321
Depreciation/amortization of tangible and intangible assets	-4,572	-4,559	-18,296	-18,144
Other operating expenses	-291	-168	-1,135	-483
	<b>-20,110</b>	<b>-25,589</b>	<b>-92,806</b>	<b>-74,134</b>
<b>OPERATING LOSS</b>	<b>-19,489</b>	<b>-25,459</b>	<b>-90,955</b>	<b>-73,232</b>
Financial income	-98	26	10	103
Financial costs	-286	-1	-3,557	-3
	<b>-384</b>	<b>25</b>	<b>-3,547</b>	<b>100</b>
<b>LOSS AFTER FINANCIAL ITEMS</b>	<b>-19,873</b>	<b>-25,434</b>	<b>-94,502</b>	<b>-73,132</b>
Tax	1,283	-1,423	1,837	-1,384
<b>NET LOSS</b>	<b>-18,590</b>	<b>-26,857</b>	<b>-92,665</b>	<b>-74,516</b>
Number of shares at end of period	724,595,094	120,501,184	724,595,094	120,501,184
Average number of shares	704,517,597	120,501,184	306,784,408	102,627,636
<b>EARNINGS PER SHARE BEFORE DILUTION, SEK</b>	<b>-0.03</b>	<b>-0.22</b>	<b>-0.30</b>	<b>-0.73</b>

## Consolidated Balance Sheet Statement - Condensed

Amount in SEK thousands	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	38,459	54,713
Tangible assets	967	1,575
Financial assets	123	138
Deferred tax	620	0
<b>Total non-current assets</b>	<b>40,169</b>	<b>56,426</b>
<b>Current Assets</b>		
Inventories	8,190	3,547
Accounts receivables	256	132
Other receivables	12,454	12,665
Prepaid expenses and accrued income	631	651
	<b>21,531</b>	<b>16,995</b>
<b>Cash and cash equivalents</b>	<b>2,301</b>	<b>20,067</b>
<b>Total current assets</b>	<b>23,832</b>	<b>37,062</b>
<b>TOTAL ASSETS</b>	<b>64,001</b>	<b>93,488</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	12,499	12,050
Other contributed equity	294,541	303,477
Other equity incl. profit/loss for the year	-265,937	-231,204
<b>Total equity</b>	<b>41,103</b>	<b>84,323</b>
<b>Provisions</b>		
Provisions for guarantee	500	500
<b>Current liabilities</b>		
Accounts payable	8,609	1,990
Current tax liability	260	1,448
Other liabilities	10,540	162
Accrued expenses	2,989	5,065
<b>Total current liabilities</b>	<b>22,398</b>	<b>8,665</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>64,001</b>	<b>93,488</b>



**Consolidated accounts:  
Statements of change in equity in summary**

Amounts in SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
<b>Balance at the beginning of the period</b>	<b>59,126</b>	<b>110,699</b>	<b>84,323</b>	<b>97,476</b>
Shares subscribed with warrants	513	338	513	338
Reclass warrant premium	0	327	0	327
New share issue	0	0	57,844	69,288
Costs for new share issue	-108	-228	-9,007	-8,630
Translation difference	162	44	95	40
Profit(-loss) for the period	-18,590	-26,857	-92,665	-74,516
<b>Balance at the end of the period</b>	<b>41,103</b>	<b>84,323</b>	<b>41,103</b>	<b>84,323</b>

## Consolidated accounts: Cash flow statement

Amount in SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Operating activities</b>				
Operating profit/loss	-19,489	-25,459	-90,955	-73,232
Adjustments for items not included in cash flow	4,632	5,537	18,589	19,211
Interest received	7	11	12	32
Interest paid	31	0	-3,260	-3
Paid income tax	0	0	-8	0
<b><i>Cash provided by operating activities before changes in working capital</i></b>	<b>-14,819</b>	<b>-19,911</b>	<b>-75,622</b>	<b>-53,992</b>
<i>Cash from changes in working capital</i>				
Increase (-) / decrease (+) in inventories	-386	-334	-6,134	-1,593
Increase (-) / decrease (+) in account receivables	57	362	9	602
Increase (-) / decrease (+) in other receivables	236	-328	331	-6,072
Increase (+) / decrease (-) in account payables	5,644	-419	7,291	-3,134
Increase (+) / decrease (-) in other operating liabilities	-2,591	1,036	-1,696	-112
<b><i>Cash provided by operating activities</i></b>	<b>-11,859</b>	<b>-19,594</b>	<b>-75,821</b>	<b>-64,301</b>
<b>Investing activities</b>				
Investment in intangible assets	-56	-281	-1,281	-1,100
Investment in tangible assets	0	0	0	-760
Investment in financial assets	0	0	0	-14
<b><i>Cash used in investing activities</i></b>	<b>-56</b>	<b>-281</b>	<b>-1,281</b>	<b>-1,874</b>
<b>Financing activities</b>				
Rights issue	0	0	57,844	69,288
Costs for rights issue	-924	20	-9,007	-8,382
Shares subscribed with warrants	513	0	513	338
Received loan	10,000	0	40,715	0
Amortization loan	0	0	-30,700	0
<b><i>Cash used in financing activities</i></b>	<b>9,589</b>	<b>20</b>	<b>59,365</b>	<b>61,244</b>
<b>Net change in cash and cash equivalents</b>	<b>-2,326</b>	<b>-19,855</b>	<b>-17,737</b>	<b>-4,931</b>
<b>Cash and cash equivalents, opening balance</b>	<b>4,609</b>	<b>39,966</b>	<b>20,067</b>	<b>24,960</b>
Foreign exchange differences in cash	18	-44	-29	38
<b>Cash and cash equivalents, ending balance</b>	<b>2,301</b>	<b>20,067</b>	<b>2,301</b>	<b>20,067</b>

## Condensed parent company income statement

Amount in SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	689	1,244	4,813	1,379
Work performed by the Company for its own use and capitalized	0	0	430	214
Other operating income	323	41	683	154
	<b>1,012</b>	<b>1,285</b>	<b>5,926</b>	<b>1,747</b>
Cost of goods	-1,060	-751	-2,333	-895
Other external costs	-4,183	-17,581	-40,877	-48,650
Personnel costs	-1,184	-1,970	-9,645	-7,613
Depreciation/amortization of tangible and intangible assets	-4,559	-4,559	-18,281	-18,144
Other operating expenses	-150	-122	-911	-311
	<b>-11,136</b>	<b>-24,983</b>	<b>-72,047</b>	<b>-75,613</b>
<b>OPERATING LOSS</b>	<b>-10,124</b>	<b>-23,698</b>	<b>-66,121</b>	<b>-73,866</b>
Net financial items	-16,042	-4,147	-19,309	-4,094
<b>LOSS AFTER FINANCIAL ITEMS</b>	<b>-26,166</b>	<b>-27,845</b>	<b>-85,430</b>	<b>-77,960</b>
Tax	0	0	0	0
<b>NET LOSS</b>	<b>-26,166</b>	<b>-27,845</b>	<b>-85,430</b>	<b>-77,960</b>

## Condensed parent company balance sheet

Amount in SEK thousands	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	38,459	54,713
Tangible assets	967	1,575
Financial assets	371	372
<b>Total non-current assets</b>	<b>39,797</b>	<b>56,660</b>
<b>Current Assets</b>		
Inventories	6,917	3,406
Accounts receivables	256	132
Receivables from group companies	5,922	1,385
Other receivables and prepaid expenses	12,487	12,736
Cash and cash equivalents	2,093	16,534
<b>Total current assets</b>	<b>27,675</b>	<b>34,193</b>
<b>TOTAL ASSETS</b>	<b>67,472</b>	<b>90,853</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>44,836</b>	<b>80,916</b>
<b>Provisions</b>	<b>500</b>	<b>500</b>
<b>Current liabilities</b>		
Accounts payable	7,875	1,763
Liabilities to group companies	171	3,526
Other liabilities and accrued expenses	14,090	4,148
<b>Total current liabilities</b>	<b>22,136</b>	<b>9,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,472</b>	<b>90,853</b>

## Consolidated accounts: Key figures

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net sales, SEK thousands	92	10	33	0	97	20	0	204
Operating loss, SEK thousands	-15,844	-17,487	-14,441	-25,459	-23,155	-26,193	-22,118	-19,489
Operating margin %	neg	neg	neg	neg	neg	neg	neg	neg
Balance sheet total, SEK thousands	91,468	133,007	117,997	93,488	77,760	78,683	71,704	64,001
Equity ratio %	89%	94%	94%	90%	79%	45%	83%	64%
Cash, SEK thousands	10,785	52,782	39,966	20,067	5,366	7,754	4,609	2,301
Earnings/loss per share, SEK	-0.26	-0.16	-0.12	-0.22	-0.19	-0.22	-0.09	-0.03
Equity per share, SEK	1.35	1.04	0.92	0.70	0.51	0.29	0.08	0.06

## Definitions

<b>Earnings/Loss per share</b>	Earnings/loss for the period / average number of shares
<b>Equity / assets ratio</b>	Total equity / total assets
<b>Equity per share</b>	Equity at the end of the reporting period / average number of shares
<b>Operating margin</b>	Operating profit / net sales
<b>EBITDA</b>	Operating Profit less Depreciation

## Warrant program – 2022/2025

The company has implemented two incentive programs aimed at senior executives and employees in the company.

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

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

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

There are no dilution effects during the period. The warrant terms are available on the company's website.

## NeoDynamics in brief

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

### A growing breast biopsy market

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

### NeoNavia® – a unique biopsy system

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

### New innovative technology

The patented pulse technology is based on a pneumatically driven mechanism that enables high precision and control when inserting and positioning the biopsy needle, regardless of tissue type. The pneumatic driver that generates pulses is placed in a handheld instrument. Powered by the base unit, the driver accelerates the needle with great control even

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

### Intellectual Property

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

### Good results in clinical studies

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

### Tomorrow's breast cancer biopsy

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

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