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THIS IS NEODYNAMICS

NeoDynamics is a Swedish medical technology company that is focused on improving diagnostics and treatment of cancer. The company has an innovative biopsy system, NeoNavia®, approved for commercialization in Europe as well as USA. The biopsy system is based on a patented pulse technique based on research from the Karolinska Institutet. With three needle types, NeoNavia has the potential to replace the conventional ultrasound-guided biopsy methods used today to diagnose breast cancer. There is potential to use the pulse technique also in other indications where needle biopsy is used.

NeoNavia® is the brand name for the entire biopsy system. The biopsy system is intended to be used for ultrasound-guided sampling and consists of a base unit, a hand unit and currently three types of biopsy needles. All three needle types are driven by pulse technology, which provides precision and control during needle insertion and placement at or in the suspected tumor.

The system is designed to offer physicians and patients precise and robust tissue sampling for accurate diagnosis and individualized treatment. The NeoNavia biopsy system has been evaluated in studies at leading cancer clinics in Germany and Sweden. A comparative study is underway in Great Britain. NeoDynamics' goal is for the biopsy system to become established as a standard and replace other ultrasound-guided biopsy.

Our commercial launch continued throughout 2023 at selected clinics in priority countries in the EU. Commercialization was delayed due to the decision to incorporate incremental improvements in the system, after careful consultation with customers. An application for US registration was made in February 2022 to the US Food and Drug Administration FDA and a US subsidiary was formed in March 2022. NeoNavia was approved by FDA in September 2022. The launch will therefore continue in Europe throughout 2024 and include the US, as we increase commercial activities in this very important market.

MULTI-YEAR OVERVIEW Consolidated Accounts

SEK Thousand	2023	2022	2021	2020	2019
Net Sales	321	135	1 162	0	0
Operating Result	-92,665	-74 514	-68 552	-29 032	-18,875
Equity	41 103	84 323	97 476	165 554	55 148
Solidity	64%	90%	90%	97%	60%

THE YEAR THAT PASSED

- NeoDynamics partnered with Uniphar for US distribution and logistics. Uniphar is a global distribution and logistics giant and will help to ensure a successful US launch of NeoNavia®.
- In February 2023 NeoDynamics' largest owner Gryningskust Holding AB offered the company a loan of SEK 14 million, with a fixed interest rate of 8% The loan maturity date was August 15th, 2023. The loan has been converted to shares, which was resolved upon at the EGM in April 2023.
- NeoDynamics announced that Jie Bao and Xiaojun Xu will step down from the Board of Directors as of 2023-02-14 based on a mutual agreement. They will instead focus on supporting the company and its plans for the Chinese market.
- NeoDynamics was granted Chinese patent for FlexiPulse needle design.
- NeoDynamics AB (publ) held an Extraordinary General Meeting on 3 April 2023. The Extraordinary General Meeting resolved to increase the share capital, and to resolve that the board of directors, for the period until the end of the next annual general meeting, shall consist of four directors (previously six).
- The Annual General Meeting was held on the 23rd May. The full agenda, proposals and resolutions can be found on the company website, www.neodynamics.com, under regulatory press releases.
- NeoDynamics, Inc. announced U.S. availability of NeoNavia, the first and only pulse biopsy technology. The system was commercially introduced at the American Society of Breast Surgeons annual meeting, on the 27th April.
- The final data set from NeoDynamics' PULSE study was presented at The SBI Breast Imaging Symposium in Maryland, USA. The study demonstrated a success rate of 93% of biopsies from the lymph node.
- The board of directors of NeoDynamics resolved, subject to approval by an extraordinary general meeting, to carry out a rights issue of shares and warrants with preferential rights for existing shareholders, for an initial amount of up to approximately SEK 72 million to finance commercialization and marketing activities in the USA and Europe.
- NeoDynamics AB (publ.) raised approximately SEK 58 million before the deduction of transaction costs, in a rights issue carried out during August. The rights issue was subscribed to approximately 80%, including guarantee commitments. Those subscribing by use of their exercise rights, corresponded to approximately 46.4%, with approximately 31.7% allocated to guarantors.

- In connection with the rights issue, NeoDynamics AB (publ.) also launched two warrant programmes, the T02 and T03. Details of both programmes can be found on the NeoDynamics website, www.neodynamics.com within the Investor section page.
- NeoDynamics AB (publ.) announced the initiation of their first NeoNavia® order from a prominent US university hospital specializing in the treatment of breast cancer. However modest in size, the order served as an important reference as the commercial rollout continues to garner interest and acceptance at both academic and community-based breast centers throughout the U.S. This milestone further demonstrates the commercial viability of the innovative pulse technology.
- 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, in December 2023.
- 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.

CEO REPORT

Priorities in 2023

One of our top priorities for 2023 was to ensure a successful introduction of NeoNavia in a handful key centres, top tier University centres in the US.

NeoNavia® configured with the FlexiPulse needle was commercially launched in the US at two prestigious conferences in April and May. We firmly believe we are now 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. The process has, however, been more time-consuming than anticipated.

Based on customer feedback, we chose to implement improvements and finetune our needles during 2023, since high quality will always be our top priority. 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 also 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.

Our sales development in 2023 has been slower than expected as we have not had the full suite of needles available for sale. Since our financing has been closely linked to our expectations around the product availability, we have had to balance our cash, costs, and commercial activities to better match our operating result.

As a consequence, we made the decision to cut costs in the Autumn leading to a reduced headcount and cost structure. Thus, we have matched staffing levels to our current situation, while maintaining an appropriate presence in our target markets. The cost savings will be visible from March 2024 onwards and will have full effect in the second half of 2024.

Promising customer feedback

In general, we are getting very promising feedback from hospitals in both Europe and US. We have held numerous workshops in Germany, Austria and the UK, and started a number of new pilots i.e. evaluations on various hospitals and clinics. The evaluations being a firm request by hospitals when ordering new MedTech products. Also, we have participated in a number of conferences across Europe, which has resulted in new orders and new pilots.

We are currently working with 18 medical centres in UK and 23 medical centres in the DACH region. So far, they have tested 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 evaluation period, the centres have paid for needles but have rented the base unit and driver. We count on closing our pilots during Q1 2024, as they have had time to also evaluate the VacuPulse needle.

The VacuPulse needle is anticipated to be the most used in the US, and it comes with advanced features. Due to implemented product improvements, the delivery of the VacuPulse needle was delayed until the end of December 2023, and sales in 2023 has therefore been limited. 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, influencing other hospitals to follow lead. 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.

Addressable market

NeoDynamics addresses an unmet need in the biopsy-based diagnosis of breast cancer, the most prevalent female cancer type, with an expected global market size of approx. USD 1.2bn by 2030 with a CAGR of approximately 7% according to MRFR 2023, which confirms our growth expectations. The NeoNavia Pulse technology offers a highly precise needle delivery, with high-yielding tissue samples without the need for surgical procedures and improves the outcome for practitioners and quality of life for patients, which makes it a very strong product offering.

Advancement of our clinical program

In 2023, we finalised our PULSE study in Germany. The purpose of the study, which included 148 patients diagnosed with breast cancer and in need of an axillary lymph node biopsy was to demonstrate the products performance. The study has showed an impressive 93% success rate. The advantage of NeoNavia is that it is a minimally invasive option designed to provide controlled needle insertion, accurate lesion targeting, and high tissue yield from technically difficult lesions as well as difficult to access pathology. The full PULSE study was published in the Autumn of 2023.

Our COMPULSE study in the UK is a comparative study using the FlexiPulse needle to demonstrate product performance for ultrasound-guided biopsies of axillary lymph nodes in patients with breast cancer. Our product is evaluated on every second patient, while every other patient is treated with a standard needle. The study was placed on hold during the pandemic but has been restarted. More than 150 patients have been recruited (and biopsied). All COMPULSE study centres have confirmed that they intend to use our needles commercially, in parallel to participating in the study, further validating their commitment to the product.

Financing update

To secure funding for operations in Europe and the commercial launch of NeoNavia® in the US, we have raised capital in several steps during 2023. In total, we have raised approximately SEK 88 million in 2023 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.

On 20th March 2024, we completed a Rights Issue of SEK 25 m which will enable us to continue to focus on our strategic milestones, and achieve our proof of concept in our key markets.

CEO Matilda Salén

WORLD TRENDS AND MARKET

Changing global needs

The global market for breast biopsies is growing rapidly and every year around 2.1 million women worldwide are diagnosed with breast cancer. The number of women diagnosed with breast cancer is increasing by 4-5% annually and more than 600,000 women die each year as a result of breast cancer. According to the Company's calculations, at least six million breast biopsies and axillary biopsies are performed per year to diagnose suspected cancer.

The global breast biopsy market is estimated to reach USD 1.2 billion by 2030, with a CAGR of 7% during the period.

Biopsy means that a tissue sample is taken from a suspicious change to establish a diagnosis. In most cases, a biopsy is taken after a patient has undergone a mammogram or on their own initiative has seen a doctor because a lump in the breast has been discovered. In the past, biopsies were mainly done by surgical removal, but they are now increasingly done with minimally invasive instruments (biopsy needles). During a treatment process, sampling may need to be done several times to monitor the effects of medication and radiation.

Thanks to expanded screening programs and new screening techniques, more and smaller tumors are being detected earlier and more people can be diagnosed early. At the same time, the proportion of non-surgical biopsies is increasing at the expense of surgical ones. The number of biopsies globally can therefore be expected to increase at a faster rate than the number of breast cancer cases in the next decade.

New innovative technology is needed

NeoDynamics' 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. Many instruments on the market today require the doctor's hand for insertion, which means less precision. The pneumatic drive unit that generates pulses is in a hand-held instrument. With power from the base unit, the handpiece accelerates the biopsy needle with great control even over short distances, enabling a distinct step-by-step insertion without affecting the surrounding tissue. This enables good access and flexibility when sampling even in small and tricky localized tumours as well as in dense breast tissue.

Better precision

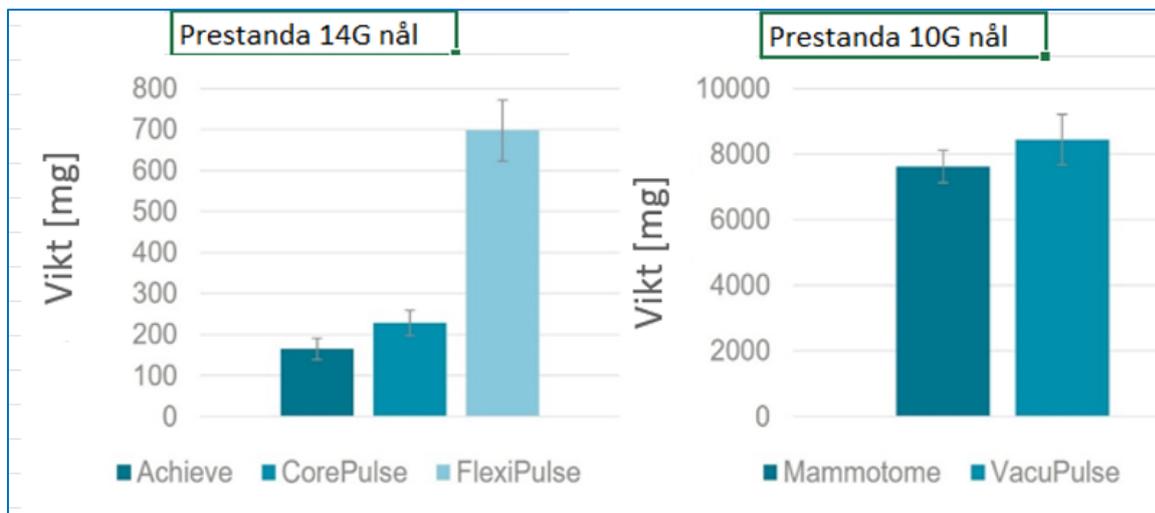
The new technology developed by NeoDynamics facilitates needle insertion and provides precision when placed in the suspected tumour. The system is designed to offer physicians and patients precise and robust tissue sampling for accurate diagnosis and individualized treatment, responding to the increased need for more efficient biopsies.

THE CUSTOMER OFFER

NeoNavia®

NeoNavia is an innovative biopsy system with a patented pulse technology for controlled and precise needle insertion. The system is based on early research at Karolinska Institutet and has been developed by NeoDynamics. The biopsy system NeoNavia provides precision and control during tissue sampling. The product has been developed to provide adequate samples with high quality, thereby creating conditions for inserting the biopsy needle fewer times in each patient. This results in a reduced risk of having to call patients back for further sampling. All of this is positive for patients, and it reduces the costs of healthcare.

Comparisons of the size of tissue samples have been made in a bench model between today's biopsy needles (Achieve 14g and Mammotome 10g) and NeoNavia pulse technology needles (CorePulse™ 14g, FlexiPulse™ 14g and VacuPulse™ 10g). All pulse needle types took a significantly higher tissue volume than today's biopsy needles.



Ref. Paepke S, Thill M, Peisker U, Ohlinger R, Gruber I, Malter W, Kümmel S, Hahn M, Kühn T, Reinisch M, Stachs A, Reimer T. One size fits all? Novel pulse biopsy platform offers improved needle control, high tissue yield and multiple needle options – pre-clinical results. *The Breast*. 2021;56. doi:10.1016/s0960-9776(21)00172-7

Thanks to the controlled insertion and the proprietary open-tip biopsy needle (FlexiPulse™), difficult places can be reached for biopsy, such as the armpit, near breast implants, near the chest, near the lung and near dense breast tissue.

Product portfolio

The pneumatic drive component that generates the pulses, and thus enables the high precision, is located in the hand unit and is activated by pressing a button. Using power from the base unit, the biopsy needle is accelerated in a controlled manner in steps of 1–2 mm. This allows for a distinct, step-by-step needle insertion through the tissue and precise placement of the needle in the suspected lesion.

The NeoNavia® biopsy system is intended for ultrasound-guided sampling and consists of the following components:

<p>The base unit ("Base Unit ") is a pneumatic drive unit that supplies the "power". The drive unit creates both pulses in the biopsy needles via the hand unit and vacuum to the biopsy needles. The base unit has a shelf life of ten years. Customers can choose to buy directly or via a finance company.</p>	<p>Hand unit ("Driver") is a hand-held instrument that, by pressing buttons, generates pulses for the needles and cutting of the tissue samples. The handset is the "intellect" of the product and is reusable with a shelf life of two years.</p>
	

The biopsy probes ("Needles") are available as three different needle types CorePulse™, VacuPulse™ and FlexiPulse™. The needles represent the possible alternatives that may be needed for ultrasound-guided biopsy. FDA has today cleared the two needles VacuPulse and FlexiPulse which are the needles most requested and suitable for the US strategy of commercialization.

For each examination, the doctor thus has three needle types at his disposal. Thanks to NeoNavia offering all the needle types currently used in ultrasound-guided biopsies and its own patented third needle type FlexiPulse, the system can replace all other ultrasound-guided biopsy systems at a reception. FlexiPulse is especially intended for technically complicated sampling.

Through the in-house developed FlexiPulse needle, it is also possible to carry out sampling of lymph nodes in the armpit, a process which today often means that the patient needs to be sedated and that surgeons have to be involved. With NeoNavia, such a tissue sample can be taken in connection with breast sampling under local anesthesia only, which means efficiency with health economic benefits and shorter process time for healthcare staff and patient. The FlexiPulse needle is already documented in the PULSE study, which has been presented at several congresses throughout the year.

All three needle types are advanced, millimeter by millimeter, through the pulse technology that has received patent protection in the largest markets. The needles are for single use

CorePulse™, an improved core needle which is powered by pulses.



VacuPulse™, an improved vacuum needle which is powered by pulses.



FlexiPulse™, a new open tipped front-loaded needle, which is powered by pulses.



STRATEGY AND BUSINESS SIDE

NeoDynamics' strategy is to establish NeoNavia® as the leading biopsy system, primarily in the field of breast cancer, in key markets in Europe as well as in the US and later in China. This shall take place through collaborations with leading researchers and specialists in the field of breast biopsy, at leading centers in each country, and by anchoring the Company's offer in specialist associations and their respective working groups. NeoDynamics' customers are university hospitals, private hospitals, or cancer clinics. Professional categories that use the Company's product are radiologists (x-ray doctors), gynecologists and surgeons around the world. For the product category that NeoNavia® is part of, there are replacement systems with specific codes in most countries. At large clinics that perform a larger number of biopsies, procurement is done.

The company's selected markets are initially Germany, Great Britain and Sweden, i.e., markets where clinical studies have been conducted. An introduction in the United States followed in 2023, as we received approval by the FDA. The third step is China, a market where the company already has several strong contacts.

NeoDynamics' main competence is the development of innovative solutions for healthcare where the use of pulse technology can contribute to precision. Achieving precision is relevant in all types of surgery and a natural next step for the Company is to look at areas where needle biopsy is used today, such as prostate cancer and liver cancer. The company's intention is to expand the use of the biopsy system to other cancer indications where needle biopsies are used. Another interesting segment is the cancer study market, where high-quality instruments are attractive and included in the study protocols. The company is also developing a biopsy marker (so-called clip) that should be visible during ultrasound, which several corresponding marker materials currently are not.

In order to keep costs down for commercialization and building up a sales force, the Company's intention is to enter into agreements with one or more commercial partners. The company considers partners who have competence and a developed platform in specific customer areas. However, at present, the company will prove its concept by introducing the system using its own, small, but highly skilled/experienced sales team that is the forefront liaising with the key selected centers. Each first meeting requires a tailored approach. Once set up – a more general sales team can do the job.

SCIENTIFIC WORK AND PRODUCT DEVELOPMENT

More than 600 patients have undergone breast and axillary lymph node biopsy with NeoDynamics' new biopsy technology. The PULSE study shows that the system has good performance when used in axillary lymph nodes. The patented pulse technology was found in the study 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.

Through regulatory approvals and clinical studies in the main markets, familiarity, acceptance and knowledge of the product and procedure are created, preferably among key people, so-called Key Opinion Leaders (KOL), who can influence their colleagues. As part of its initial marketing work and with the aim of reaching larger university clinics, the company has worked with clinical studies to strengthen ties to these clinics and support marketing and sales work.

With strong and recognized clinics behind NeoDynamics and its products, momentum is created in the market, which shortens the time from product launch to market establishment.

NeoDynamics has successfully conducted studies in human clinical practice that have been accepted for presentation at congresses as well as publication in peer-reviewed journals. These studies have been carried out in Sweden, Great Britain and Germany.

NeoNavia® has shown very good diagnostic histology results in all cases. The company's pulse biopsy system has been shown to facilitate tissue penetration and increased precision, which can spare the patient from repeated needle insertions and thereby shorten the sampling time. Furthermore, an ex-vivo analysis by an experienced pathologist has indicated that the method of tissue collection has no negative impact on the histopathological quality of obtained samples. Tests on bench models have also shown significantly higher tissue yield compared to today's standard products.

Current and planned studies

COMPULSE, a sponsor-initiated, randomized multicenter trial (>400 patients) in the UK is ongoing. NeoNavia is compared with a conventional biopsy needle for sampling radiologically indeterminate or suspected axillary lymph nodes in women with radiologically suspected breast cancer.

A sponsor-initiated so-called Registry study is ongoing in Germany with the aim of documenting the performance characteristics of NeoNavia in clinical practice.

Studies are also planned in the US to support sales and marketing during the introduction.

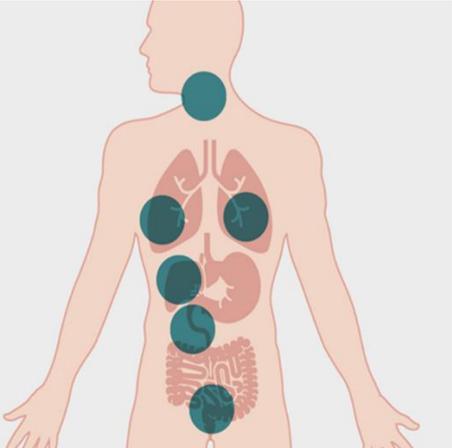
New indications for NeoNavia

The company assesses that in the near future NeoNavia will also be able to be used in cancer indications other than breast cancer, which would expand the use and market for the biopsy system.

The table below lists cancer indications where needle biopsy is required for diagnosis.

Source : American Cancer Society, Ca Cancer J Clin 2021;71:209-249

Cancer site	No of new cases	% of all cancer sites	No of new deaths	% of all cancer sites
Breast	2,261,419	11.7	684,996	6,9
Lung	2,206,771	11.4	1,796,144	18.0
Prostate	1,414,259	7.3	375,302	3,8
Liver	905,677	4.7	830,180	8.3
NHL	544,352	2.8	259,793	2.6
Pancreas	495,773	2.6	466,003	4.7
Kidney	431,288	2.2	179,368	1.8



Skin biopsy instrument for sampling suspected skin cancer

Since mid-2019 Szafran iopsy AB, which together with a Swedish dermatologist at Karolinska Hospital, is developing a skin biopsy instrument for taking samples in suspected skin cancer. The project has received financial support via Vinnova, and is a developmental area which is complimentary to the NeoNavia product offering.

Biopsy marker

NeoDynamics has a complementary biopsy product, a biopsy marker, in development. Biopsy markers may improve efficiency in breast cancer diagnosis. Existing biopsy markers generally work well for mammography examinations but generally less well for ultrasound examinations. In the 2020s, the use of biopsy markers in Europe is expected to increase as imaging techniques become more advanced and the visibility of biopsy markers during imaging continues to improve. In the United States, biopsy markers are already commonplace, and more and more doctors are expected to use these products in connection with biopsies. Increased sales of biopsy markers will increase revenue for market players who currently sell biopsy needles.

SUSTAINABILITY

The global development has increasingly clearly shown the need to create more sustainable businesses and industries, including the medical technology industry, which is expected in various ways to actively work with issues around sustainability and through the EU's work. Medical technology must be both patient-safe and long-term sustainable. NeoDynamics is now laying the foundation for future sustainability work. It will contribute to focused work and lead to a more structured approach.

The patients' medical needs are always at the centre and working for better health and increased well-being is the very basis of NeoDynamics' operations with a desire to ensure access to and continuously participate in the development of medical technology with the aim of meeting the patients' medical needs, raising the quality of life, and contributing to a more efficient health care.

Responsible governance

To ensure good governance, NeoDynamics has systems for how the company makes decisions, fulfils its legal obligations, and achieves its operational requirements. NeoDynamics wants to take responsibility for its impact on the environment and people. The company's customers must feel confident that goods from NeoDynamics comply with the strict laws and regulations that apply, for example the RoHS series and REACH. The company complies with today's packaging directives and requirements regarding the recycling of electrical products (WEEE), both with reporting in all EU countries where NeoDynamics has sales. The company is not currently ISO 14001 certified.

The management of the manufacturing of the company's products is essential to being able to act responsibly. NeoDynamics partner Sanmina, which produces the company's base units and drivers, is committed to protecting the environment and controlling the use of resources in manufacturing and related activities. They are members of the Responsible Business Alliance (RBA) with a global ISO-14001. Sanmina's environmental management system thus helps to maintain a safe and healthy environment for both its and its customers' personnel and thus ensures a commitment to environmental responsibility.

Through policies, codes and standards, unethical behaviour is regulated, and transparency increases.

Product

NeoDynamics has focused on the work of reducing the amount of medical hazardous waste (material that is contaminated during a procedure and must be destroyed) and to reduce the amount of packaging material. Material selection for the product is made primarily with a focus on complying with laws and regulations, where function and biocompatibility are often higher than durability. Before developing new versions and products, sustainability will be an important parameter in the development work.

Travel and business

Acting responsibly both in business and business travel, both internationally and domestically, is a requirement for both employees and consultants who work for NeoDynamics. Environmental impact must weigh heavily in the choice of means of transport and modes of transport with a lower climate impact must be prioritized whenever possible. In addition to this, travel must only take place when necessary.

Transportation

Working strategically with transport is important work to ensure sustainable freight and reduction of greenhouse gas emissions. For NeoDynamics, this means, for example, planning production to reduce

the risk of delays and working with loading efficiency in containers and the degree of filling in boxes. In addition to transport choices, NeoDynamics needs to investigate and investigate alternative transport methods, fuels and innovative solutions going forward. During the company's commercial start, the need for quick deliveries and small volumes meant airfreight of components, something that will eventually be reviewed in line with increased volumes.

COMPETITORS

Market players in ultrasound-guided breast biopsy

The market for ultrasound-guided breast biopsy instruments is dominated by a few major manufacturers with several products in the medical technology field. In addition, there are a limited number of smaller suppliers. In recent years, the market players have concentrated their activities through the acquisition of competitors and product ranges.

Business	Biopsy instrument	Biopsy needles	Miscellaneous
Argon Medical Devices, Inc.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Becton, Dickinson and Company	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Cardinal Health		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cook Medical Inc		<input checked="" type="checkbox"/>	
Hologic Inc	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
INRAD Inc	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fujifilm Healthcare	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
IZI Medical Products	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hitachi Medical Products	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
KoninklijkePhilips N.V.			<input checked="" type="checkbox"/>
Leica BiosystemsNusslochGmbH	<input checked="" type="checkbox"/>		
NeoDynamics AB	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

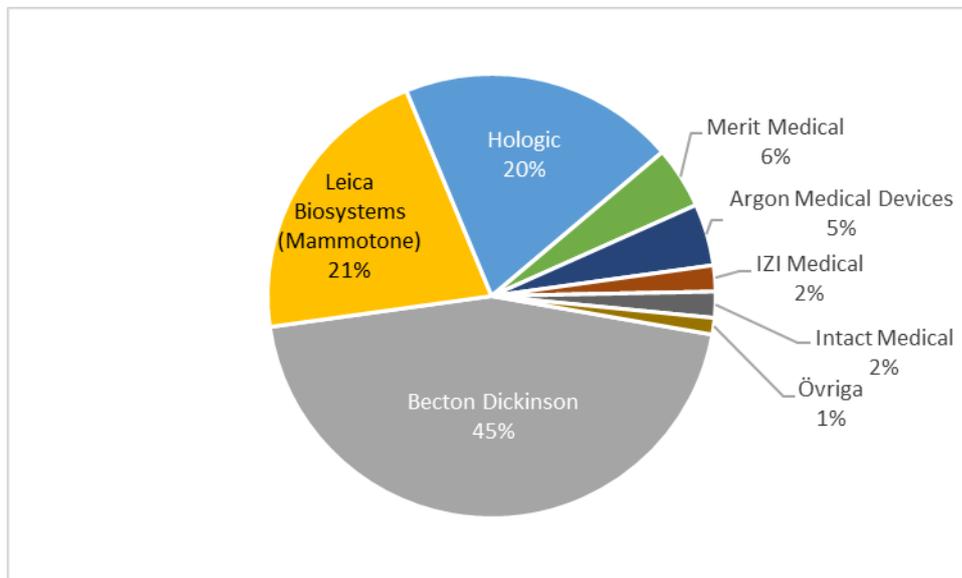
Source : ATR Ultrasound Guided Biopsy Devices Market 2016-2026

Several major transactions have taken place in the market in recent years, including the following:

- Hologics acquisition of SuperSonic Imagine in 2019.
- Becton, Dickinson and Company's acquisition of CR Bard in 2017. In 2018, Becton, Dickinson and Company divested its select portfolio of biopsy needle products for \$100M to Merit Medical.
- IZI Medical Products acquisition of Cook Medical (selected breast biopsy products) in 2019.

With these acquisitions, Hologic , IZI Medical and Becton, Dickinson and Company were able to launch more innovative products on the market.

Ultrasound Guided Biopsy Equipment Market Shares:



Source : ATR Ultrasound Guided Biopsy Devices Market 2016-2026

Manufacturer of ultrasound equipment

As NeoNavia is a complementary product to ultrasound systems, ultrasound manufacturers can potentially be partners for NeoDynamics in the future. Relevant players include, for example, GE Healthcare, Siemens Healthineers , Hitachi, Fujifilm, Sonoscape , Mindray, Chison and SIUI.

PATENT PORTFOLIO

The company's pulse technology is protected by patents in certain major countries within the EU as well as in China, Japan and the USA. In addition, the Company holds approved patents regarding needle parts and needle tip. Furthermore, a patent application has been submitted for the NeoNavia® biopsy system. The table below describes NeoDynamics' existing patent portfolio.

	Patent	Approved	Ongoing	Valid through
Biopsy system NeoNavia®	Reciprocating needle for tissue sampling (Pulse technology)	China, USA, Germany, France, Great Britain, Sweden, Japan	India	2029 (2031 USA)
	Distal tip tissue sampling arrangement (NeoNavia® needle design)	Europe, China, USA	China	2035 (2036 USA)
	Trocar arrangement for tissue sampling device (NeoNavia® needle design)	Europe, USA, China		2035 (2036 USA)
	Multi biopsy probe Handset arrangement (NeoNavia® system)	Europe	USA, China	2038

ORGANISATION

NeoDynamics is represented in four countries. Head office with operational management, product development and regulatory management is in Lidingö, Sweden. In Germany and Great Britain there are sales organizations/taskforces of 2-3 people per market with responsibility for marketing, sales, and customer care. In the USA, we begin to see commercial traction, and continue to build momentum in what is our largest market.

Board and Management

NeoDynamics has a balance in the board and management: the board consists of 50% women and 50% men. Of the members, 25% were born outside the EU.

In 2023, the board met 40 times, including a 24-hour strategy meeting.

Name	Position	Independence in relation to the Company and company management	Independent in relation to the Company's major shareholders	Holding as of 31 st Dec 2023
Ingrid Salén	Chairman of the Board	Yes	Yes	28,781,308 shares ¹ ,no warrants at the time of publication
Carina Bolin	Board member	Yes	Yes	390,240 shares, no warrants at the time of publication
Matthew E. Colpoys, Jr.	Board member	No	Yes	No shares and 475,000 warrants at the time of publication
Claes Pettersson	Board member	Yes	Yes	6,799,352 shares, no warrants at the time of publication

¹⁾ Indirectly owned via a wholly owned company.

The management consists of the CEO and CFO

Name	Position	Holding
Matilda Salén	Executive director	0 shares and 0 warrants
Aaron Wong	Chief Financial Officer	1,400,000 shares and 350,000 ¹ warrants

¹⁾ Program 2022/2025

THE SHARE

NeoDynamics shares are traded on the NASDAQ First North Growth Market, which is an alternative stock exchange for smaller companies in Europe. During 2023, the volatility in the share amounted to 157 percent.

On December 31, 2023, the number of shares in NeoDynamics AB amounted to 120,501,184. The share closed on the last trading day of the year at SEK 0.022, a decrease of 95 percent from SEK 0.481 at the turn of the previous year.

OWNER

As of 31 December 2023, the company had approximately 3,864 shareholders. Each share in the Company entitles to one vote at the general meeting.

The 10 biggest the owners 31 December 2023	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	26,874,762	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	337,771,008	46.9%

OPTION PROGRAM

Subscription options of series 2022/2025

The extraordinary general meeting on February 25, 2022, decided to introduce an incentive program intended for employees and other key personnel of NeoDynamics and its subsidiaries through a directed issue of a maximum of 2,640,000 warrants. The warrants can be used to subscribe for shares from February 17 to May 17, 2025. Each warrant entitles the holder to subscribe for one new share at a subscription price that corresponds to 150 percent of the volume-weighted average price of the Company's share on the NASDAQ First North during the ten trading days immediately preceding the general meeting, rounded to the nearest whole öre. If the warrants are fully exercised, the share capital will increase by SEK 2,640,000.

The Annual General meeting on May 23, 2023, decided to introduce an incentive program intended for employees and other key personnel of NeoDynamics Inc. through a directed issue of a maximum of 1,700,000 warrants. The warrants can be exercised for subscription of new shares during the period from registration at the Swedish Companies Registration Office up to and including 30 June 2033. The subscription price for the share on exercise of the warrants is SEK 0.10, corresponding to the quota value of the Company's shares. The subscription price may in no case be less than the quota value. The increase of the Company's share capital may, upon full exercise of the warrants, amount to a maximum of SEK 170,000.

A prerequisite for the allocation of warrants is that the person entitled to subscribe is employed by, or has a consulting assignment for, the Company or a subsidiary and has neither resigned from his/her employment/assignment nor been dismissed. Additional prerequisites are that the subscription of warrants can legally take place and that the participant, at the latest at the same time as subscription, has entered into a home bidding agreement with the Company, according to which the participant is obliged to offer the Company, or the person the Company appoints, to acquire the warrants if the participant intends to transfer the warrants before they can be used, if the participant's employment or assignment ends within a certain time and in certain other cases.

ANNUAL REPORT 2023

The board and managing director of NeoDynamics AB (publ) 559014-9117 issue the following annual report for the financial year 2023.

The annual report is prepared in Swedish kronor, SEK. Unless otherwise specifically stated, all amounts are reported in whole kronor (SEK).

Operation

NeoDynamics is a Swedish medical technology company focused on improving diagnostics and treatment of cancer. The company's biopsy system NeoNavia® is based on a patented pulse technology intended to be used for ultrasound-guided sampling, based on research from the Karolinska Institutet and approved for commercialization in Europe. The system's three needle types have the potential to replace the conventional ultrasound-guided biopsy methods currently used to diagnose breast cancer.

The system is designed to offer physicians and patients precise and robust tissue sampling for accurate diagnosis and individualized treatment. All three needle types are powered by pulse technology that provides precision and control during needle insertion and placement in the suspected tumor. The NeoNavia biopsy system has been evaluated in studies at leading cancer clinics in Germany and Sweden. A comparative study is underway in Great Britain.

The next Annual General Meeting for NeoDynamics is scheduled to take place June 17th, 2024.

The company is based in Lidingö

Significant events in 2023

- NeoDynamics partners with Uniphar for US distribution and logistics. Uniphar is a global distribution and logistics giant and will help to ensure a successful US launch of NeoNavia®
- In February 2023 NeoDynamics' largest owner Gryningskust Holding AB offered the company a loan of SEK 14 million, with a fixed interest rate of 8%. The loan maturity date was August 15th, 2023. The loan has been converted to shares, which was resolved upon at the EGM in April 2023.
- NeoDynamics announced that Jie Bao and Xiaojun Xu stepped down from the Board of Directors as of 2023-02-14 based on a mutual agreement. They will instead focus on supporting the company and its plans for the Chinese market.
- NeoDynamics was granted Chinese patent for FlexiPulse needle design.
- NeoDynamics AB (publ) held an Extraordinary General Meeting on 3 April 2023. The Extraordinary General Meeting resolved to increase the share capital, and to resolve that the board of directors, for the period until the end of the next annual general meeting, shall consist of four directors (previously six).
- The Annual General Meeting was held on the 23rd May. The full agenda, proposals and resolutions can be found on the company website, www.neodynamics.com, under regulatory press releases.
- NeoDynamics, Inc. announced U.S. availability of NeoNavia, the first and only pulse biopsy technology. The system was commercially introduced at the American Society of Breast Surgeons annual meeting, on the 27th April 2023.

- The final data set from NeoDynamics' PULSE study was presented at The SBI Breast Imaging Symposium in Maryland, USA. The study demonstrated a success rate of 93% of biopsies from the lymph node.
- The board of directors of NeoDynamics resolved, subject to approval by an extraordinary general meeting, to carry out a rights issue of shares and warrants with preferential rights for existing shareholders, for an initial amount of up to approximately SEK 72 million to finance commercialization and marketing activities in the USA and Europe.
- NeoDynamics AB (publ.) raised approximately SEK 58 million before the deduction of transaction costs, in a rights issue carried out during August 2023. The rights issue was subscribed to approximately 80%, including guarantee commitments. Those subscribing by use of their exercise rights, corresponded to approximately 46.4%, with approximately 31.7% allocated to guarantors.
- In connection with the rights issue, NeoDynamics AB (publ.) also launched two warrant programmes, the T02 and T03. Details of both programmes can be found on the NeoDynamics website, www.neodynamics.com within the Investor section page.
- NeoDynamics AB (publ.) announced the initiation of their first NeoNavia® order from a prominent US university hospital specializing in the treatment of breast cancer. However modest in size, the order served as an important reference as the commercial rollout continues to garner interest and acceptance at both academic and community-based breast centers throughout the U.S. This milestone further demonstrates the commercial viability of the innovative pulse technology.
- 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. As 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 in December 2023
- NeoDynamics secured short-term financing by means of a SEK 10 million loan in December 2023
- 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 financial year

- In January 2024, NeoDynamic 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.

- NeoDynamics secured short-term financing, from Sal enterprise by means of a second loan for SEK 15 million in January 2024.
- NeoDynamics announced in March 2023, the appointment of Matilda Sal n as its new Chief Executive Officer, replacing Anna Eriksrud.
- NeoDynamics received approximately SEK 4,300 before issue costs by exercising warrants of series T03. A total of 439,100 warrants were exercised, corresponding to approximately 0.15 percent of all warrants of series TO3, for the subscription of a total of 4,391 shares.

Expected future development and significant risks and uncertainties

NeoDynamics is in an exciting stage of its development and commercialization. As an organization, we have the experience needed to navigate the challenges ahead, however, there are inherent risks in the stage the business is at. Adoption of our product relies on showcasing the value proposition, which, given the highly innovative nature of our technology, means engaging KOL's who are enthusiastic about shifting the current paradigm. The US is a key market for NeoDynamics, as is the case for all MedTech companies. The USA is a market that appreciates new technology and is prepared to pay for it, however, you need a strong product but also persistence and capital.

Our future development plans are clear, our NeoNavia pulse technology will form the bedrock of our product suite. Our primary indication is breast cancer, and cancer in the lymph nodes, but this is just the start. There are many other areas of the body that biopsies are needed to determine if cancer is present, such as the prostate, the liver, and the head and neck. We anticipate working in parallel to the ongoing commercialization to develop these areas of interest.

Research and Development

More than 600 patients have undergone breast and axillary lymph node biopsy with NeoDynamics' new biopsy technology. The PULSE study shows that the system has good performance when used in axillary lymph nodes. The patented pulse technology was found in the study 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.

Through regulatory approvals and clinical studies in the main markets, familiarity, acceptance and knowledge of the product and procedure are created, preferably among key people, so-called Key Opinion Leaders (KOL). As part of its initial marketing work and with the aim of reaching larger university clinics, the company has worked with clinical studies to strengthen ties to these clinics and support marketing and sales work.

With strong and recognized clinics behind NeoDynamics and its products, momentum is created in the market, which shortens the time from product launch to market establishment.

NeoDynamics has successfully conducted studies in human clinical practice that have been accepted for presentation at congresses as well as publication in peer-reviewed journals. These studies have been carried out in Sweden, Great Britain and Germany.

NeoNavia® has shown very good diagnostic histology results in all cases. The company's pulse biopsy system has been shown to facilitate tissue penetration and increased precision, which can spare the patient from repeated needle insertions and thereby shorten the sampling time. Furthermore, an ex-vivo analysis by an experienced pathologist has indicated that the method of tissue collection has no negative impact on the histopathological quality of obtained samples. Tests on bench models have also shown significantly higher tissue yield compared to today's standard products.

COMPULSE, a sponsor-initiated, randomized multicenter trial in the UK is ongoing. NeoNavia is compared with a conventional biopsy needle for sampling radiologically indeterminate or suspected axillary lymph nodes in women with radiologically suspected breast cancer.

A sponsor-initiated so-called Registry study is ongoing in Germany with the aim of documenting the performance characteristics of NeoNavia in clinical practice.

Studies are also planned in the US to support sales and marketing during the introduction.

Comments on the financial development – Consolidated Accounts

Revenues and results

Revenues for the full year amounted to SEK 1,851 (903) thousand, of which net sales were SEK 321 (135) thousand. Development costs for NeoNavia, related to personnel costs, were capitalized at SEK 430 (214) thousand during the year. Deliveries have been resumed to customers and all three needles are now available.

Cost of goods were SEK 1,419 (947) thousand for the full year. Other external costs increased to SEK 43,681 (38,239) thousand for the full year, mainly reflecting higher costs for the preparation of the commercialization in the US market, in the first half of the year.

Personnel costs increased SEK 28,275 (16,321) thousand for the full year, an effect of several new employees joining the business during 2023.

Operating loss amounted to SEK 90,955 (73,231) thousand for the full year, whereas EBITDA, i.e., operating profit excluding depreciation, amounted to SEK -72,659 (-55,087) thousand for the full year.

Financial standing

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 both received in January 2024 from Salénterprise, positively impacts our working capital and secures the immediate financing needs of the business up until the rights issue, which is completed in March 2024.

Group Cash flow from operating activities before changes in working capital amounted to SEK -75,622 (-53,991,) thousand and after changes in working capital to SEK -75,821, (-64,300,) thousand. The total cash flow amounted to SEK -17,737, (-4,930) thousand.

At the end of the reporting period, the equity to assets ratio was 65 (90) percent and equity amounted to SEK 41,103 (84,323) thousand.

Financing and capital requirements

The Board of Directors assesses that there is uncertainty about the company's going concern, given NeoDynamics needs further financing, as the liquidity is forecasted to be inadequate to the end of 2024. The rights issue is guaranteed to 100% by Salénterprise, 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 commercialization of the business.

Organization

The board consisted of four members, 50% men and 50% women. Ingrid Salén is chairman and Carina Bolin, Matthew E. Colpoys, Jr, Claes Pettersson; are members.

Anna Eriksrud has been CEO since 2016. At the end of the year, the Board and Management decided to implement a cost cutting program, due to the delayed effect of sales.

NeoDynamics' goal is for the biopsy system to be established as a global standard and replace other ultrasound-guided biopsies. There is potential to use the pulse technique also in other indications where needle biopsy is used.

Dividend

The board proposes to the annual general meeting that no dividend be paid for the financial year 2023.

Multi-year overview (kSEK)

Consolidated accounts	2023	2022	2021		
Net turnover	321	135	1 162		
Total assets	64 001	93 489	108 054		
Return on capital employed (%)	-118	-86	-70		
Return on equity (%)	-230	-88	-70		
Equity/assets ratio (%)	64	90	90		
Debt ratio (ggr)	56	10	11		
Parent company	2023	2022	2021	2020	2019
Net turnover	4 813	1 379	1 162	0	0
Total assets	67 473	90 853	108 040	171 292	91 916
Return on capital employed (%)	-121	-90	-70	-18	-22
Return on equity (%)	-191	-96	-70	-19	-35
Equity/assets ratio (%)	66	89	90	97	60
Debt ratio (ggr)	50	11	11	3	67

For definitions of key ratios, see Accounting and valuation principles.

Changes in equity (kSEK)

	Share capital	Other contributed capital	Other equity incl. this year's loss	Total
Consolidated accounts				
Balance at the beginning of the year according to the established Annual Report 2022	12 050	303 725	-231 204	84 571
Correction of opening balances, see note 19		-248		-248
Balance at the beginning of the year	12 050	303 477	-231 204	84 323
New share issue	57 844			57 844
Costs for share issue		-9 007		-9 007
Subscription of shares using warrants	443	71		513
Decrease in share capital	-57 837		57 837	0
Translation difference			94	94
Loss for the year			-92 665	-92 665
Balance at the end of the year	12 500	294 541	-265 938	41 103

*Other contributed capital within equity in the group's balance sheet has a difference compared to the previous year's Annual Report in the amount of SEK 248,000. This difference can also be found on the item Accounts payable in the group's balance sheet. The difference is due to an item being wrongly reported as reduced trade payables instead of issue cost. This has been adjusted in this year's comparative figures. See also note 19.

Parent company	Share capital	Reserve for development	Free premium reserve	Retained earnings	This year's loss	Total
Balance at the beginning of the year according to the established Annual Report 2022	12 050	49 606	303 060	-205 592	-77 960	81 164
Correction of opening balances, see note 19			-248			-248
Balance at the beginning of the year	12 050	49 606	302 812	-205 592	-77 960	80 916
Appropriation of earnings as per decision of the Annual General Meeting:						
Carried over				-77 960	77 960	0
New share issue	57 844					57 844
Costs for share issue			-9 007			-9 007
Subscription of shares using warrants	443		71			513
Decrease in share capital	-57 837			57 837		0
Increase in fund		1 281		-1 281		0
Decrease in fund		-17 520		17 520		0
Loss for the year					-85 430	-85 430
Balance at the end of the year	12 500	33 367	293 876	-209 476	-85 430	44 836

*Free premium fund within equity in the parent company's balance sheet has a difference compared to the previous year's Annual Report in the amount of SEK 248,000. This difference is also found in the item Supplier liabilities in the parent company's balance sheet. The difference is due to an item being incorrectly reported as a reduced supplier cost instead of as an issue cost. This has been adjusted for in-year comparative figures. See also note 19.

Proposal for allocation of loss for parent company

The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):

Share premium reserve	293 876 486
Retained earnings	-209 475 398
Loss for the year	-85 430 320
	-1 029 232

be distributed so that they are:

carried over	-1 029 232
	-1 029 232

The group and the company's earnings and financial position in general are indicated in the following income statement and balance sheet as well as the cash flow analysis with notes.

Consolidated Accounts Income Statement

	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating revenues			
Net sales		321 310	134 899
Work performed by the Company for its own use and capitalized		430 204	214 136
Other operating income	2	1 099 560	553 479
		1 851 074	902 514
Operating expenses			
Cost of goods		-1 419 454	-947 038
Other external costs	3, 4	-43 680 729	-38 239 215
Personnel costs	5, 6, 7	-28 274 563	-16 320 656
Depreciation/amortization of tangible and intangible assets		-18 296 002	-18 143 661
Other operating expenses		-1 135 280	-482 878
		-92 806 029	-74 133 448
Operating loss		-90 954 955	-73 230 934
Result from financial items			
Interest income and similar profit/loss items	8	9 997	103 008
Interest expense and similar profit/loss items	9	-3 556 504	-2 994
		-3 546 506	100 014
Loss after financial items		-94 501 461	-73 130 920
Loss before taxes		-94 501 461	-73 130 920
Current tax for the financial year	10	1 216 781	-1 383 648
Deferred tax	10	620 093	0
Loss for the year		-92 664 587	-74 514 568
Attributable to the shareholders of the parent company		-92 664 587	-74 514 568

Consolidated Accounts Balance Sheet

	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised expenses for development and similar work	11	38 447 106	54 686 298
Patent, licenses and similar assets	12	12 136	26 697
		38 459 242	54 712 995
<i>Tangible fixed assets</i>			
Machines and other technical assets	13	131 579	203 349
Equipment, tools and installations	14	834 922	1 372 096
		966 501	1 575 445
<i>Financial assets</i>			
Other long-term shares in other companies	15	112 400	112 400
Deferred tax provision	16	620 093	0
Other long-term receivables		11 290	26 022
		743 783	138 422
Total fixed assets		40 169 526	56 426 862
Current assets			
<i>Inventories</i>			
Finished products		8 189 956	3 546 602
		8 189 956	3 546 602
<i>Current receivables</i>			
Accounts receivables		256 419	132 450
Other receivables	17	12 454 460	12 665 279
Prepaid expenses and accrued income	18	630 075	651 132
		13 340 954	13 448 861
<i>Cash and cash equivalents</i>		2 300 691	20 066 543
Total current assets		23 831 601	37 062 006
TOTAL ASSETS		64 001 127	93 488 868

Consolidated Accounts Balance Sheet

	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Equity for parent company's shareholders			
Share capital		12 499 265	12 050 118
Other contributed capital	19	294 541 493	303 477 462
Other equity including loss for the year		265 937 493	231 204 382
Equity for parent company's shareholders		41 103 265	84 323 198
Total equity		41 103 265	84 323 198
Provisions			
Provisions for guarantee	20	500 000	500 000
		500 000	500 000
Current liabilities			
Accounts payable	19	8 609 155	1 990 361
Income tax payable		259 530	1 448 197
Other current liabilities		10 540 296	162 041
Accrued expenses and prepaid revenue	21	2 988 881	5 065 071
		22 397 862	8 665 670
TOTAL EQUITY AND LIABILITIES		64 001 127	93 488 868

Consolidated Accounts Cash Flow Statement

	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating activities			
Operating loss		-90 954 955	-73 230 934
Adjustments for items not included in cash flow	22	18 588 661	19 210 854
Received interest		12 332	31 821
Paid interest		-3 259 683	-2 802
Paid income tax		-8 224	0
Cash provided by operating activities before changes in working capital		-75 621 869	-53 991 061
Cash from changes in working capital			
Change in inventories		-6 134 320	-1 593 496
Change in accounts receivable		9 384	602 373
Change in other current receivables		330 586	-6 071 857
Change in accounts payable		7 290 912	-3 134 018
Change in other current liabilities		-1 696 044	-112 209
Cash flow from operating activities		-75 821 351	-64 300 268
Investment activities			
Investments in intangible assets		-1 281 283	-1 100 929
Investments in tangible fixed assets		0	-759 648
Investments in financial assets		0	-14 043
Cash flow from investment activities		-1 281 283	-1 874 620
Financing activities			
New share issue		57 843 933	69 288 181
Costs for share issue		-9 006 519	-8 381 794
Subscription of shares using warrants		513 091	338 000
New loans		40 715 000	0
Amortization of loans		-30 700 000	0
Cash flow from financing activities		59 365 505	61 244 387
This year's cash flow		-17 737 129	-4 930 501
Cash and cash equivalents, opening balance	23	20 066 543	24 959 855
Foreign exchange differences in cash		-28 723	37 189
Cash and cash equivalents, ending balance		2 300 691	20 066 543

**Parent Company
Income Statement**

	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating revenues			
Net sales		4 813 161	1 378 917
Work performed by the Company for its own use and capitalized		430 204	214 136
Other operating income	2	682 655	154 290
		5 926 020	1 747 343
Operating expenses			
Cost of goods		-2 332 526	-894 731
Other external costs	3, 4	-40 877 303	-48 650 213
Personnel costs	5, 6, 7	-9 644 746	-7 612 851
Depreciation/amortization of tangible and intangible asset		-18 280 843	-18 143 661
Other operating expenses		-911 330	-311 467
		-72 046 748	-75 612 923
Operating loss	24	-66 120 728	-73 865 580
Result from financial items			
Result from shares in group companies	25	-15 973 414	-4 183 969
Interest income and similar profit/loss items	8	2 802	92 753
Interest expense and similar profit/loss items	9	-3 338 980	-2 994
		-19 309 592	-4 094 210
Loss after financial items		-85 430 320	-77 959 790
Loss before taxes		-85 430 320	-77 959 790
Loss for the year		-85 430 320	-77 959 790

Parent Company Balance Sheet

	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised expenses for development and similar work	11	38 447 106	54 686 298
Patent, licenses and similar assets	12	12 136	26 697
		38 459 242	54 712 995
<i>Tangible fixed assets</i>			
Machines and other technical assets	13	131 579	203 349
Equipment, tools and installations	14	834 922	1 372 096
		966 501	1 575 445
<i>Financial assets</i>			
Other long-term shares in other companies	26, 27	247 408	247 408
Other long-term shares in other companies	15	112 400	112 400
Other long-term receivables		11 290	11 322
		371 098	371 130
Total fixed assets		39 796 841	56 659 570
Current assets			
<i>Inventories</i>			
Finished products		6 916 933	3 405 958
		6 916 933	3 405 958
<i>Current receivables</i>			
Accounts receivables		256 419	132 450
Receivables from group companies		5 921 760	1 384 668
Other receivables	17	11 883 245	12 204 995
Prepaid expenses and accrued income	18	604 911	531 459
		18 666 335	14 253 572
<i>Cash and cash equivalents</i>		2 092 634	16 533 762
Total current assets		27 675 902	34 193 292
TOTAL ASSETS		67 472 743	90 852 862

**Parent Company
 Balance Sheet**

	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	28, 29		
Restricted Equity			
Share capital		12 499 265	12 050 118
Fund for development expenditure		33 366 317	49 605 509
		45 865 582	61 655 627
Non-restricted Equity			
Share premium reserve	19	293 876 486	302 812 454
Retained earnings		-209 475 398	-205 592 128
Loss for the year		-85 430 320	-77 959 790
		-1 029 232	19 260 536
Total equity		44 836 350	80 916 163
Provisions			
Provisions for guarantee	20	500 000	500 000
		500 000	500 000
Current liabilities			
Accounts payable	19	7 875 007	1 762 917
Liabilities to group companies		171 468	3 525 991
Other liabilities		10 464 219	29 386
Accrued expenses and prepaid expenses	21	3 625 699	4 118 405
		22 136 393	9 436 699
TOTAL EQUITY AND LIABILITIES		67 472 743	90 852 862

Parent Company Cash Flow Statement

	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Current activities			
Operating loss		-66 120 728	-73 865 580
Adjustments for items not included in cash flow	22	18 573 407	19 210 863
Received interest		5 137	21 567
Paid interest		-3 244 649	-2 803
Cash provided by operating activities before changes in working capital		-50 786 833	-54 635 953
Cash flow from change in the working capital			
Change in inventories		-4 711 745	-1 459 127
Change in accounts receivable		-5 406	471 963
Change in other current receivables		-4 274 002	-6 939 376
Change in accounts payable		6 520 232	-1 715 240
Change in other current liabilities		-3 291 848	876 386
Cash flow from operating activities		-56 549 602	-63 401 347
Investment activities			
Investments in intangible assets		-1 281 283	-1 100 929
Investments in tangible fixed assets		0	-759 648
Investments in financial assets		-15 973 414	-4 183 969
Cash flow from investment activities		-17 254 697	-6 044 546
Financing activities			
Share issue		57 843 933	69 288 181
Costs for share issue		-9 006 518	-8 381 794
Warrant premium		513 091	338 000
New loans		40 715 000	0
Amortization of loans		-30 700 000	0
Cash flow from financing activities		59 365 506	61 244 387
This year's cash flow		-14 438 793	-8 201 506
Cash and cash equivalents, opening balance	23	16 533 762	24 709 631
Foreign exchange differences in cash		-2 335	25 637
Cash and cash equivalents, ending balance		2 092 634	16 533 762

Notes

Note 1 Accounting and valuation principles

General Information

The annual report is drawn up in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3).

Receivables and liabilities in foreign currencies have been valued at the closing rate of exchange. Profit on exchange and exchange loss on operating receivables and liabilities are reported in the operating result, while exchange gains and losses on financial receivables and liabilities are reported as financial items.

The accounting principles remain unchanged as compared to the previous year.

The same accounting principles are applied on consolidated accounts as for the parent company if nothing else is stated below.

Revenue Recognition

Revenue has been raised to the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will be available to be used by the company and the revenue can be measured reliably.

When selling goods, income is normally recognized as income when the essential benefits and risks associated with the ownership of the goods have been transferred from the enterprise to the buyer.

Consolidated Accounts

Consolidation method

The consolidated financial statements have been prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of acquired businesses are reported at market value according to the established acquisition analysis. If the cost of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is recognized as goodwill.

Subsidiary

The consolidated financial statements include, in addition to the parent company, all enterprises in which the parent directly or indirectly has more than 50 % of the voting rights or otherwise holds the controlling interest and thus has the right to design the financial and operational strategies of the enterprise with a view to obtaining economic benefits.

Transactions between group companies

Intercompany receivables and liabilities as well as transactions between group companies as well as unrealized gains are eliminated in full. Unrealized losses are also eliminated unless the transaction corresponds to an impairment requirement.

Changes in internal profit during the financial year have been eliminated in the consolidated income statement.

Recalculation of foreign subsidiaries

The financial statements of foreign subsidiaries have been recalculated according to the daily rate method. All items in the balance sheet have been translated at the closing rate. All items in the income statement have been translated at the average rate during the financial year. Differences

that arise are reported directly in equity

Intangible fixed assets

The company reports internally generated intangible assets according to the activation model. This means that all expenses related to the development of an internally generated intangible asset are capitalized and depreciated over the asset's estimated useful life, under the conditions that the criteria in BFNAR 2012:1 are fulfilled. Research is booked as an expense in the income statement.

The company makes a provision to the fund for development within restricted equity corresponding to the costs capitalized for development work in the balance sheet. As depreciation occurs, a corresponding amount is also returned to non-restricted equity. The development work started before requirements for allocation to the fund were introduced and therefore costs before the requirement for funds constitute the difference between the value of the asset and the size of the fund for development in equity.

Fixed assets

Intangible and tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs.

Impairment of tangible and intangible fixed assets

An impairment test must be carried out if, as of the balance sheet date, there is an indication that the value of the asset is lower than the reported value.

Depreciation is done on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following depreciation percentage is applied:

Intangible fixed assets

Capitalized expenditures for development work	5 years
Patent, licenser and similar assets	5 years

Tangible fixed assets

Machines and other technical assets	5 years
Equipment, tools and installations	3-5 years

Financial instruments

Financial instruments are valued based on the cost of acquisition. The financial instrument is reported in the balance sheet when the company becomes a party to the instrument's contractual terms. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the company has transferred substantially all the risks and rewards associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise cease.

Other long-term shares in other companies

Investments in securities acquired with the intention of long-term holdings have been recognized at their cost values. Each balance sheet date, an assessment is made of any need for impairment.

Accounts receivables/current receivables

Accounts receivables and current receivables are reported as current assets at the amount expected to be paid after deduction of individually assessed impaired loans.

Loan-liabilities and account payables

Loan liabilities and accounts payables are recognized initially at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity date interest expense is accrued, the difference that over the term of the loan using the effective interest rate of the instrument. This is consistent with the due date the carrying amount and the amount to be reimbursed.

Impairment of financial fixed assets

At each balance sheet date, financial fixed assets are tested for indicators of impairment. An impairment loss takes place if the value of the financial fixed asset is less than the carrying amount.

Leasing Agreements

The company reports operational leases as an expense on a straight-line basis over the lease term.

Inventories

Inventories have been measured at the lower of their cost and their net realizable value at the balance sheet date. Net realizable value refers to the estimated selling price of the goods, less selling costs. The chosen valuation method means that obsolescence in inventories has been considered.

Income Taxes

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

Current tax

Current tax refers to income tax for the current financial year as well as the part of the previous financial year's income tax that has not yet been reported. Current tax is calculated based on the tax rate that applies as of the balance sheet date.

Deferred tax

Deferred tax is income tax that refers to future financial years as a result of past events. Accounting takes place according to the balance sheet method. According to this method, deferred tax liabilities and deferred tax receivables are reported on temporary differences that accrue between the book and tax values of assets and liabilities as well as for other tax deductions or deficits.

Deferred tax assets are netted against deferred tax liabilities only if they can be paid with a net amount. Deferred tax is calculated based on the applicable tax rate on the balance sheet date. Effects of changes in applicable tax rates are recognized in the income statement in the period in which the change is legislated. Deferred tax receivable is reported as a financial fixed asset and deferred tax liability as a provision.

Deferred tax receivables regarding loss deductions or other future tax deductions are reported to the extent that it is likely that the deductions can be offset against future tax surpluses.

Due to the relationship between accounting and taxation, the deferred tax liability attributable to untaxed reserves is not separately accounted.

Provisions

Obligations to third parties relating to the financial year or previous financial years and who, at the balance sheet date, are either certain or probable in their existence but uncertain in amount or until the time when they are to be honored, have been recognized as a provision.

Employee Remuneration

Employee benefits relate to all kinds of benefits the company provides to employees. Short-term employee benefits include wages, paid holidays, paid leave, bonuses, and reimbursement upon completion of employment (pension) etc. Short-term employee benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay compensation because of a past event, and a reliable estimate of the amount can be made.

Pensions

All pension plans are fee-based.

Bonuses

Bonuses are reserved as an expense in the income statement and an accrued liability in the balance sheet in the year they are considered to be earned and at the amount they are expected to be paid

out in future accounting periods.

Cash Flow Statement

Cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that involve receipts or disbursements.

The company classifies cash, in addition to cash on hand, as demand deposits at banks and other credit and short-term liquid investments that are listed on a marketplace and have a maturity of less than three months from the acquisition date. Changes in restricted cash are reported in investing activities.

Key ratio definitions

Net sales

Operating main income, invoiced costs, side income and revenue adjustment .

Total assets

The company's total assets.

Return on capital employed (%)

Operating profit/loss plus financial income as a percentage of capital employed.

Return on equity (%)

Profit/loss after financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred tax).

Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deduction for deferred tax) as a percentage of total assets.

Debt ratio (ggr)

Provisions and liabilities including deferred tax liability divided by adjusted equity (times) (equity and untaxed reserves less deferred tax).

Estimates and judgments

Preparation of financial statements and application of accounting policies, are often based on assessments, estimates and assumptions that are reasonable at the time when the assessment is made. Estimates are based on historical experience and various other factors that are reasonable under the circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise apparent from other sources. The actual outcome may differ from these estimates. Estimates and assumptions are reviewed regularly.

Shares in subsidiaries

Shares in subsidiaries are recognized at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital injections are added to the cost when they are incurred

**Not 2 Other operating income
Consolidated accounts**

	2023	2022
Exchange gains on receivables/liabilities from operating business	675 021	154 290
Other operating income	285 683	338 727
Sick pay compensations	131 221	60 462
Profit on disposal of tangible fixed assets	7 635	0
	1 099 560	553 479

Parent company

	2023	2022
Exchange gains on receivables/liabilities from operating business	675 021	154 290
Profit on disposal of tangible fixed assets	7 634	0
	682 655	154 290

Not 3 Remuneration to auditors

Audit assignment refers to inspection of the annual report and the accounting as well as the reports of the Board of Directors and the CEO, other tasks fulfilled by the company auditor as well as counselling or other assistance deriving from observations made during the inspection or fulfilment of such other tasks.

Consolidated accounts

	2023	2022
BDO Mälardalen AB		
Audit engagement	234 563	344 239
	234 563	344 239
Ernst & Young Aktiebolag		
Audit engagement	335 000	0
	335 000	0

Parent company

	2023	2022
BDO Mälardalen AB		
Audit engagement	234 563	344 239
	234 563	344 239
Ernst & Young Aktiebolag		
Audit engagement	335 000	0
	335 000	0

Not 4 Lease agreement

Consolidated accounts

Leasing costs for the year pursuant to lease agreements amount to 1 452 SEK (1 062 377 SEK).
The leasing are mainly office rent and leasing of equipment and cars.

Future leasing fees, non-terminable leasing agreements, the following mature

	2023	2022
Within one year	1 332 661	476 888
Later than one year, but within five years	1 076 267	0
	2 408 928	476 888

Parent company

Leasing costs for the year pursuant to lease agreements amount to 1 075 427 SEK (1 062 377 SEK). Leasing costs are mainly office rent and rental of equipment.

Future leasing fees, non-terminable leasing agreements, the following mature:

	2023	2022
Within one year	959 265	476 888
Later than one year, but within five years	948 114	0
	1 907 379	476 888

Not 5 Personnel costs and employees distributed per country

Consolidated accounts

	2023		2022	
Average number of employees distributed per country				
Sweden	3	(1)	2	(1)
Germany	5	(2)	5	(2)
USA	5	(1)	2	(1)
	13	(4)	9	(4)

Average number of women in parenthesis

Salaries and other remunerations

Board of Directors and Managing Director	4 819 783	6 135 124
Other employees	17 618 901	4 913 817
	22 438 684	11 048 941

Bonus for the Board and Managing Director	0	260 000
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Social security expenses

Pension costs for the Board and the Managing Director	507 548	592 299
Pension costs for other employees	717 259	456 773
Other social security expenses pursuant to law and contracts	2 760 147	2 030 815
	3 984 954	3 079 887

Parent company

	2023	2022
Average number of employees distributed per country		

Sweden	3	(1)	2	(1)
Germany	1	(0)	1	(0)
	4	(1)	3	(1)

Average number of women in parenthesis

Salaries and other remunerations

Board of Directors and Managing Director	2 295 263	2 991 238
Other employees	4 483 380	2 517 440
	6 778 643	5 508 678

Bonus for the Board and Managing Director	0	260 000
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Social security expenses

Pension costs for the Board and the Managing Director	434 320	508 651
Pension costs for other employees	416 057	205 849
Other social security expenses pursuant to law and contracts	1 927 757	1 326 000
	2 778 134	2 040 500

Gender distribution among leading clerks

Proportion of women in the board of directors	50 %	50 %
Proportion of men in the board of directors	50 %	50 %
Proportion of women among managing clerks	100 %	100 %
Proportion of men among managing clerks	0 %	0 %

Share-related compensation

The company issues the option to purchase warrants for future subscription of shares in the company.

Subscription option of series 2020/2023

At the general meeting on August 13, 2020, it was decided to issue 1,021,900 warrants. The warrants could be used to subscribe for shares from 1 August to 30 September 2023. Each warrant entitles the holder to subscribe for a new share at a subscription price of SEK 4.71.

A prerequisite for the allocation of warrants was that the warrant holder entered into a home bid reservation with NeoDynamics. According to this, the warrant holder undertakes to offer the company, or the person appointed by the company, to acquire the warrants if the warrant holder intends to transfer the warrants before they can be exercised, if the warrant holder's employment with the company ends within a certain time or in certain other cases.

Subscription Options

The extraordinary general meeting on February 25, 2022, decided to introduce an incentive program intended for employees and other key personnel of NeoDynamics and its subsidiaries through a directed issue of a maximum of 2,640,000 warrants. The warrants can be used to subscribe for shares from February 17 to May 17, 2025. Each warrant entitles the holder to subscribe for one new share at a subscription price that corresponds to 150 percent of the volume-weighted average price of the Company's share on the Spotlight Stock Market during the ten trading days immediately

preceding the general meeting, rounded to the nearest whole öre. If the warrants are fully exercised, the share capital will increase by SEK 2,640,000.

The Annual General meeting on May 23, 2023, decided to introduce an incentive program intended for employees and other key personnel of NeoDynamics Inc. through a directed issue of a maximum of 1,700,000 warrants. The warrants can be exercised for subscription of new shares during the period from registration at the Swedish Companies Registration Office up to and including 30 June 2033. The subscription price for the share on exercise of the warrants is SEK 0.10, corresponding to the quota value of the Company's shares. The subscription price may in no case be less than the quota value. The increase of the Company's share capital may, upon full exercise of the warrants, amount to a maximum of SEK 170,000.

A prerequisite for the allocation of warrants is that the person entitled to subscribe is employed by, or has a consulting assignment for, the Company or a subsidiary and has neither resigned from his/her employment/assignment nor been dismissed. Additional prerequisites are that the subscription of warrants can legally take place and that the participant, at the latest at the same time as subscription, has entered into a home bidding agreement with the Company, according to which the participant is obliged to offer the Company, or the person the Company appoints, to acquire the warrants if the participant intends to transfer the warrants before they can be used, if the participant's employment or assignment ends within a certain time and in certain other cases

Subscription options of series TO 2 and series TO3

At the extraordinary general meeting on July 27, 2023, it was decided to carry out a new issue of shares and warrants with preferential rights for the company's existing shareholders. The share issue comprised a maximum of 120,501,184 units, where each unit consisted of six shares and five warrants, of which two warrants were of series TO2 and three warrants of series TO3. A total of 96,406,555 units were subscribed, which meant 482,032,775 warrants (five per unit). Of these, 192,813,110 relate to warrants of series TO2 and 289,219,665 warrants of series TO3.

Each warrant of series TO2 entailed the right to subscribe for a new share in the company at a price corresponding to 70 percent of the volume-weighted average price during the period from and including November 3, 2023 to and including November 16, 2023, however at least the share's then quota value rounded up to two decimals and no more than 15 öre. The subscription period was 20 November 2023 up to and including 1 December 2023.

Each warrant of series TO3 carried a right to subscribe for a new share in the company at a subscription price corresponding to 70 percent of the volume-weighted average price during the period from and including February 1, 2024 to and including February 15, 2024, however at least the share's current quota value rounded up to two decimal places and no more than 15 öre. Subscription of shares with the support of warrants TO3 could take place during the period from and including 19 February 2024 to and including 1 March 2024.

Not 6 Remuneration to board members Consolidated accounts and parent company

2023-01-01 -- 2023-12-31

Board members	Board Fee	Consultant Fee	Total
Ingrid Salén	200 000	0	200 000
Jie Bao	15 625	0	15 625
Carina Bolin	125 000	25 650	150 650
Matthew E Colpoys Jr	125 000	0	125 000
Claes Pettersson	125 000	0	125 000
Xiao - Jun Xu	15 625	48 000	63 625
	606 250	73 650	679 900

2022-01-01 -- 2022-12-31

Board members	Board Fee	Consultant Fee	Total
Ingrid Salén	200 000	0	200 000
Jie Bao	125 000	0	125 000
Carina Bolin	125 000	0	125 000
Matthew E Colpys Jr	125 000	599 072	724 072
Claes Pettersson	125 000	0	125 000
Xiao-Jun Xu	125 000	150 000	275 000
	825 000	749 072	1 574 072

Not 7 Remuneration to leaders

Consolidated accounts and parent company

2023-01-01 -- 2023-12-31

CEO and Management	Salary	Bonus	Pension	Total
Anna Eriksrud, VD	1 680 000	0	434 320	2 114 320
Aaron Wong, CFO	1 524 000	0	245 740	1 769 740
Matthew E. Colpoys, Jr., VD, USA	2 524 520	0	0	2 524 520
	5 728 520	0	680 060	6 408 580

2022-01-01 -- 2022-12-31

CEO and Management	Salary / Consult fees	Bonus	Pension	Total
Anna Eriksrud, VD	1 560 000	260 000	409 344	2 229 344
Aaron Wong, CFO	2 762 014	0	0	2 762 014
	4 322 014	260 000	409 344	4 991 358

Anna Eriksrud holds shares and warrants as below:

- 551,910 shares
- 500,000 warrants with the right to subscribe between 17 February and 17 May 2025 at the rate of 1.74 SEK.

Aaron Wong holds shares and warrants as below:

- 150,000 shares
- 350,000 warrants with the right to subscribe between 17 February and 17 May 2025 at the rate of 1.74 SEK.

Matthew E. Colpoys, Jr. owns no shares in the company, and 475,000 warrants.

Not 8 Interest income and similar profit/loss items
Consolidated accounts

	2023	2022
Interest income	12 332	10 511
Exchange rate differences	-2 335	92 497
	9 997	103 008

Parent company

	2023	2022
Interest income	5 137	256
Exchange rate differences	-2 335	92 497
	2 802	92 753

Not 9 Interest expense and similar profit/loss items
Consolidated accounts

	2023	2022
Interest expense for funding capital	3 291 697	0
Other interest expenses	9 253	2 865
Exchange rate differences	255 554	129
	3 556 504	2 994

Parent company

	2023	2022
Interest expense for funding capital	3 291 697	0
Other interest expenses	9 253	2 865
Exchange rate differences	38 030	129
	3 338 980	2 994

**Not 10 Current and deferred tax
Consolidated accounts**

	2023	2022
Tax on profit for the financial year		
Current tax	1 216 781	-1 383 648
Change in deferred tax regarding temporary differences	620 093	0
Total tax expense	1 836 874	-1 383 648

Reconciliation effective tax

	2023		2022	
	Percent	Amount	Percent	Amount
Loss before tax		-94 501 461		-73 130 920
Tax at applicable tax rate	20,60	19 467 301	20,60	15 064 970
Non-deductible expenses		-59 300		-121 137
Non-taxable income		30 228		53
Losses carried forward from previous years		47 255 510		32 180 552
Not booked deferred tax on losses carried forward		-65 250 526		-48 427 664
Adjustment foreign taxes		393 661		-80 422
Reported effective tax	1,94	1 836 874	-1,89	-1 383 648

Parent company

Reconciliation of effective tax

	2023-12-31		2022-12-31	
	Percent	Amount	Percent	Amount
Loss before tax		-85 430 320		-77 959 790
Tax at applicable tax rate	20,60	17 598 646	20,60	16 059 717
Non-deductible expenses		-56 381		-119 397
Non-taxable income		1 017		53
Non-deductible impairment		-3 290 523		-861 898
Losses carried forward from previous years		47 255 510		32 180 552
Not booked deferred tax on losses carried forward		-61 508 269		-47 259 027
Reported effective tax	0,00	0	0,00	0

Expense for non-deductible impairment was previous year reported in the line "Non-deductible costs", amounted to SEK -981,295. Of these, SEK -861,898 referred to the tax effect of impairment, which are now separated.

**Not 11 Expenditures carried over for development work
Consolidated accounts**

	2023-12-31	2022-12-31
Acquisition value, opening balance	89 426 852	88 325 924
Capitalized expenses	1 281 283	1 100 928
Disposals	-121 717	
Accumulated acquisition value, closing balance	90 586 418	89 426 852
Depreciation, opening balance	-34 740 554	-17 370 277
Depreciation for the year	-17 398 758	-17 370 277
Accumulated depreciation, closing balance	-52 139 312	-34 740 554
Book value, closing balance	38 447 106	54 686 298

Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	89 426 852	88 325 924
Capitalized expenses	1 281 283	1 100 928
Disposals	-121 717	0
Accumulated acquisition value, closing balance	90 586 418	89 426 852
Depreciation, opening balance	-34 740 554	-17 370 277
Depreciation for the year	-17 398 758	-17 370 277
Accumulated depreciation, closing balance	-52 139 312	-34 740 554
Book value, closing balance	38 447 106	54 686 298

**Not 12 Patent, licenser and other similar assets
Consolidated accounts**

	2023-12-31	2022-12-31
Acquisition value, opening balance	790 555	790 555
Accumulated acquisition value, closing balance	790 555	790 555
Depreciation, opening balance	-763 858	-749 297
Depreciation for the year	-14 561	-14 561
Accumulated depreciation, closing balance	-778 419	-763 858
Book value, closing balance	12 136	26 697

Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	790 555	790 555
Accumulated acquisition value, closing balance	790 555	790 555
Depreciation, opening balance	-763 858	-749 297
Depreciation for the year	-14 561	-14 561
Accumulated depreciation, closing balance	-778 419	-763 858
Book value, closing balance	12 136	26 697

Not 13 Machines and other technical assets

Consolidated accounts

	2023-12-31	2022-12-31
Acquisition value, opening balance	358 852	358 852
Accumulated acquisition value, closing balance	358 852	358 852
Depreciation, opening balance	-155 503	-83 733
Depreciation for the year	-71 770	-71 770
Accumulated depreciation, closing balance	-227 273	-155 503
Book value, closing balance	131 579	203 349

Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	358 852	358 852
Accumulated acquisition value, closing balance	358 852	358 852
Depreciation, opening balance	-155 503	-83 733
Depreciation for the year	-71 770	-71 770
Accumulated depreciation, closing balance	-227 273	-155 503
Book value, closing balance	131 579	203 349

Not 14 Equipment, tools and installations
Consolidated accounts

	2023-12-31	2022-12-31
Acquisition value, opening balance	3 024 036	3 237 236
New investments	0	759 648
Reclass	572 397	80 676
Sold equipment and disposals	-488 529	-1 053 524
Accumulated acquisition value, closing balance	3 107 904	3 024 036
Depreciation, opening balance	-1 651 940	-2 018 412
Reverse depreciation of sold and disposals	170 189	1 053 524
Depreciation for the year	-791 231	-687 052
Accumulated depreciation, closing balance	-2 272 982	-1 651 940
Book value, closing balance	834 922	1 372 096

Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	3 024 036	3 237 236
New investments	0	759 648
Reclass	572 397	80 676
Sold equipment and disposals	-488 529	-1 053 524
Accumulated acquisition value, closing balance	3 107 904	3 024 036
Depreciation, opening balance	-1 651 940	-2 018 412
Reverse depreciation of sold and disposals	170 189	1 053 524
Depreciation for the year	-791 231	-687 052
Accumulated depreciation, closing balance	-2 272 982	-1 651 940
Book value, closing balance	834 922	1 372 096

Not 15 Other long-term shares in other companies
Consolidated accounts

	2023-12-31	2022-12-31
Acquisition value, opening balance	112 400	112 400
Accumulated acquisition value, closing balance	112 400	112 400
Book value, closing balance	112 400	112 400

Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	112 400	112 400
Accumulated acquisition value, closing balance	112 400	112 400
Book value, closing balance	112 400	112 400

Not 16 Deferred tax asset

Consolidated accounts

	2023-12-31	2022-12-31
Deferred tax on temporary differences in the consolidated accounts	620 093	0
	620 093	0

Not 17 Other receivables

Consolidated accounts

	2023-12-31	2022-12-31
VAT receivable	517 829	689 997
Receivable on Sanmina*	10 597 377	11 358 671
Receivable suppliers	700 000	0
Deposits	452 793	70 000
Other receivables	186 461	546 611
	12 454 460	12 665 279

Parent company

	2023-12-31	2022-12-31
VAT receivable	440 186	689 997
Receivable on Sanmina*	10 597 377	11 358 671
Receivable suppliers	700 000	0
Deposits	70 000	70 000
Other receivables	75 682	86 327
	11 883 245	12 204 995

* NeoDynamics has a strategically important partnership with Sanmina, who are one of our outsourced manufacturers. To ensure adequate supply of materials and components, NeoDynamics provides Sanmina with a combination of prepayment and deposit against materials purchased for the production of our base units. These payments are presented as receivables to suppliers.

Not 18 Prepaid expenses and accrued income
Consolidated accounts

	2023-12-31	2022-12-31
Rent	41 922	119 222
Insurance	201 172	72 849
Other prepaid expenses	386 981	459 061
	630 075	651 132

Parent company

	2023-12-31	2022-12-31
Rent	41 922	119 222
Insurance	201 172	69 081
Other prepaid expenses	361 817	343 156
	604 911	531 459

Not 19 Adjustment of the comparative year's figures
Consolidated accounts

Other contributed capital within equity in the group's balance sheet has a difference compared to the previous year's Annual Report of the amount SEK 248,000. This difference is also found in the item Accounts payable in the group's balance sheet. The difference is due to an item being wrongly reported as reduced trade payables instead of costs for share issue. This has been adjusted in this year's comparative figures.

Parent company

Corresponding items in the parent company's balance sheet, Free premium fund and Accounts payable, have been affected with the same amount of SEK 248,000.

Not 20 Provisions

Consolidated accounts

	2023-12-31	2022-12-31
Provision for guarantees		
Opening balance	500 000	240 000
Provisions for the year	0	260 000
	500 000	500 000

Parent company

	2023-12-31	2022-12-31
Provision for guarantees		
Opening balance	500 000	240 000
Provisions for the year	0	260 000
	500 000	500 000

**Not 21 Accrued expenses and prepaid revenue
Consolidated accounts**

	2023-12-31	2022-12-31
Personnel costs	2 425 014	2 975 028
Consultancy costs	0	662 957
Product related costs	0	1 085 000
Other accrued costs	507 598	342 086
Interest expenses	56 269	0
	2 988 881	5 065 071

Parent company

	2023-12-31	2022-12-31
Personnel costs	1 645 772	2 028 362
Consultancy costs	0	662 957
Product related costs	0	1 085 000
Other accrued costs	435 477	342 086
Interest expenses	56 269	0
Accrued income	1 488 181	
	3 625 699	4 118 405

**Not 22 Adjustments for items not included in the cash flow
Consolidated accounts**

	2023-12-31	2022-12-31
Depreciation	18 284 687	18 143 661
Change in obsolescence inventories	487 260	517 754
Write-down accounts receivable	83 345	199 977
Change in other provisions	0	260 000
Other adjustment items	63	89 462
Loss/gain from disposal of fixed assets	284 126	0
Unrealized exchange rate changes on operating items	-550 820	0
	18 588 661	19 210 854

Parent company

	2023-12-31	2022-12-31
Depreciation	18 280 843	18 143 661
Change in obsolescence inventories	487 260	517 754
Write-down accounts receivable	83 345	199 977
Change in other provisions	0	260 000
Other adjustment items	0	89 471
Loss/gain from disposal of fixed assets	272 779	0
Unrealized exchange rate changes on operating items	-550 820	0
	18 573 407	19 210 863

**Not 23 Cash and cash equivalents
Consolidated accounts**

2023-12-31 **2022-12-31**

Cash equivalents

Balance at bank accounts

2 300 691 20 066 543
2 300 691 **20 066 543**

Parent company

2023-12-31 **2022-12-31**

Cash equivalents

Balance at bank accounts

2 092 634 16 533 762
2 092 634 **16 533 762**

**Not 24 Purchases and sales between group companies
Parent company**

2023 **2022**

Share of total operating purchases made from other
companies in the Group for the year

6,00 % 17,00 %

Share of total operating sales for the year to other
companies in the Group

76,00 % 71,00 %

**Not 25 Result from shares in group companies
Parent company**

2023 **2022**

Write-down of shares in group companies

15 973 414 4 183 969
15 973 414 **4 183 969**

Not 26 Shares in group companies
Parent company

	2023-12-31	2022-12-31
Acquisition value, opening balance	4 431 377	247 407
Acquisitions	0	1
Shareholder contributions	15 973 414	4 183 969
Accumulated acquisition value, closing balance	20 404 791	4 431 377
Write-down, opening balance	-4 183 969	0
Write-down for the year	-15 973 414	-4 183 969
Closing accumulated impairment losses	-20 157 383	-4 183 969
Book value, closing balance	247 408	247 408

Not 27 Specification shares in group companies
Parent company

Name	Shares	Votes	Booked value
NeoDynamics GmbH	100%	100%	247 407
NeoDynamics Inc	100%	100%	1
			247 408

	Registered office	Equity	Profit/loss
NeoDynamics GmbH	Germany	949 031	-2 994 423
NeoDynamics Inc	USA	-2 054 901	-17 823 195

Equity and the year's loss stated for the subsidiaries are converted into Swedish kronor from euros and USD respectively.

Not 28 Number of shares and quota value
Parent company

	2023-12-31	2022-12-31
Quota value	724 595 094 0,17	120 501 184 0,1

**Not 29 Appropriation of profit or loss
Parent company**

2023-12-31

Proposal for allocation of loss for parent company

The Board of Directors recommends that the loss and brought forward profits available for disposition (SEK):

Share premium reserve	293 876 486
accumulated loss	-209 475 398
loss for the year	-85 430 320
	-1 029 232

be distributed so that they are:
carried over

-1 029 232
-1 029 232

**Not 30 Transactions with related party
Consolidated accounts and Parent company**

**Loans obtained from companies
whose executives are part of the
board**

Lender	Principal loan amount	Of which amortized	Interest	Loan fees
RentAbility Sweden AB	2 700 000	2 700 000	168 869	135 000
Salénterprise AB	10 000 000	0	55 069	0
	12 700 000	2 700 000	223 938	135 000

**Received loans from owners
Lender**

Lender	Principal loan amount	Off which amortized	Interest	Loan fees
Gryningskust Holding AB	18 000 000	18 000 000	1 063 845	900 000
Anna Eriksrud, VD	15 000	0	1 200	0
	18 015 000	18 000 000	1 065 045	900 000

Loan from Anna Eriksrud is repaid in January 2024.

**Not 31 Pledged assets and contingent liabilities
Consolidated accounts and Parent company**

The company has no collateral. The board has not identified any contingent liabilities.

**Not 32 Significant events after the end of the financial year
Consolidated accounts and Parent company**

- In January 2024, NeoDynamic 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.
- NeoDynamics secured short-term financing, from Salénterprise by means of a second loan for SEK 15 million in January 2024.
- NeoDynamics announced in March 2023, the appointment of Matilda Salén as its new Chief Executive Officer, replacing Anna Eriksrud.

Stockholm on the date indicated by the electronic signatures.

Ingrid Salén
Chairman

Carina Bolin
Board Member

Claes Pettersson
Board Member

Matthew E. Colpoys Jr.
Board Member

Anna Eriksrud
CEO

Our audit report has been submitted on the date indicated by my electronic signature.

Ernst & Young Aktiebolag

Jakob Wojcik
Authorized Public Accountant

GLOSSARY, DEFINITIONS AND ABBREVIATIONS

510(k)	A form of application to the FDA for approval of the medical device that intended for sale in the United States. The application is made on form 510(k) and is a simplified process based on the equipment being substantially as safe and effective as a previous one approved product, so-called predicate.
Abstract	Shorter summary of scientific article with purpose, method, results and conclusions appears. An abstract also often specifies subject or key words that identify the article's content and make it searchable in various forms of databases.
Axilla	Area of the body below the shoulder joint, also called armpit or forearm, which contains lymph nodes where the spread of tumors (for example, breast tumors) can cause spread/metastases.
Ex-vivo	Ex-vivo is cells or tissue that have been moved from the natural environment where they lived various forms of laboratory or bench tests, in our case tissue in some form that we in tests take biopsy samples from. The opposite is in-vivo which refers to biological processes in the living cells when they are in their natural place, for example in the human body.
FDA	Food & Drug Administration, the US counterpart to the Swedish Medicines Agency.
Gauge	The outer diameter of the biopsy needle is given by default in Gauge (G). The higher the Gauge number, the smaller outer diameter.
Histology	The study of biological tissue studied through a microscope using various chemical processes to be able to compare the tissue's structure and growth pattern.
Histopathological	Pathological changes in tissue. The analysis is normally carried out by a pathologist, that is, a doctor with specialization in pathology and histology.
Invasive	Invasive procedures involve penetrating the body with an instrument through a body opening or through a surgical procedure, often through the skin. A minimally invasive examination is, for example, biopsies with a biopsy needle where a method has been chosen to achieve a result with as little invasiveness as possible, in this specific case compared to taking the same tissue sample surgically with a scalpel.
Pneumatic	A pressurized gas, such as air, used to store or transmit energy/power such as can be used to create a mechanical movement
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals, an EU regulation from 2007 which aims to protect human health and the environment from risks caused by chemical operations. Constantly developed by adding new substances, so-called SVHC (Substances Of Very High Concern), are added with restrictions to be gradually phased out and banned.
RoHS	Restriction of the use of certain Hazardous Substances in electrical and electronic equipment, an EU directive from 2011 with the aim of reducing the risks to human health and for the environment by replacing and limiting hazardous chemical substances in electrical and electronic equipment.
Sponsor-initiated	A sponsor-initiated study is a study in which the initiator is the one responsible for the study and usually also covers the costs. The opposite of this is an IIT (Investigator Initiated Trial) which is a study where the initiator is the investigator (doctor/medical group/ hospital), i.e. those who practically carry out the study