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## **NeoDynamics carries out a 100 percent secured rights issue of approximately SEK 69 million**

**The Board of Directors of NeoDynamics AB (publ) ("NeoDynamics" or the "Company") has today, subject to approval by the Extraordinary General Meeting on February 25, 2022, decided to carry out a new issue of shares with preferential rights for the Company's existing shareholders of approximately SEK 69.3 million (the "Rights Issue"). The Company has received subscription commitments from a selection of the Company's existing shareholders, including CEO Anna Eriksrud and chairman Ingrid Salén, amounting to approximately SEK 27.8 million, corresponding to approximately 40 percent of the Rights Issue. Furthermore, the Company has entered into agreements on issue guarantees of approximately SEK 41.5 million, which secures the Rights Issue to 100 percent. The proceeds from the Rights Issue will be used to finance marketing activities at selected centers in the UK, Germany and Sweden, preparations for product launch of NeoNavia® in the United States, initial measures for registration in China, continued product development and completion of the clinical program. The Rights Issue is subject to approval by the Extraordinary General Meeting on February 25, 2022, and the notice of the Extraordinary General Meeting will be made public in a separate press release.**

### **Summary**

- One (1) existing share in the Company entitles to one (1) subscription right. One (1) subscription right entitles the holder to subscribe for one (1) new share, i.e., a subscription ratio of 1:1.
- The subscription price is set at SEK 1.15 per new share, which, assuming that the Rights Issue is fully subscribed, results in the Company receiving approximately SEK 69.3 million before deductions for issue costs.
- The record date for the Rights Issue is March 4, 2022, and the subscription period runs from March 9, 2022 to March 23, 2022.
- The last trading day in the NeoDynamics share including the right to participate in the Rights Issue is March 2, 2022.
- The Board's resolution on the Rights Issue is subject to approval by the Extraordinary General Meeting on February 25, 2022. Existing shareholders, who together represent approximately 40 percent of the shares and votes in the Company, have undertaken to vote for the Rights Issue at the Extraordinary General Meeting.
- Existing shareholders have expressed their support for the Rights Issue through subscription commitments amounting to approximately SEK 27.8 million, corresponding to approximately 40 percent of the Rights Issue. Furthermore, the Company has entered

into agreements on issue guarantees of approximately SEK 41.5 million, corresponding to approximately 60 percent of the Rights Issue, which secures the Rights Issue to 100 percent.

- The company intends to publish a prospectus regarding the Rights Issue on March 4, 2022.

### **Background and reasons for the Rights Issue**

NeoDynamics is a Swedish medical technology company focused on improving the diagnosis and treatment of cancer. With its unique pulse technology, the company has developed a biopsy system, NeoNavia<sup>®</sup>, a complete ultrasound-guided precision system with three needle types that can take high-quality tissue samples of small tumors in the breast and armpit.

As a result of improved imaging technology, detection of smaller tumors has been made possible, resulting in improved conditions for early treatment and, thus, in many cases also recovery. Smaller tumors are, however, due to today's imprecise biopsies, associated with the greatest risk of a false negative result. Modern mammography equipment can already detect very small changes and the ongoing development of liquid biopsies (blood tests) means that even smaller tumors can be identified. Before treatment, however, a tissue sample is needed to determine which treatment is required. Today's biopsy instruments are generally reliable when it comes to sampling larger tumors, but often inaccurate when sampling smaller tumors.

NeoDynamics' system is designed to be able to take biopsies in tissue with very high precision and enables tissue sampling in places that are not accessible with traditional biopsy needles. NeoNavia<sup>®</sup> biopsy system is unique with its pulse technology that facilitates insertion, control, and placement of the needle. This new technology creates conditions for avoiding false negative results by taking adequate samples. Numerous costly stereotactic biopsies for care, as well as invasive surgical biopsies, can thus be avoided.

Of the approximately 6 million breast biopsys carried out annually to detect suspected breast cancer, approximately 2,1 million results in a breast cancer diagnosis, a number that increases by roughly 4-5 percent year-on-year. The total market for breast cancer diagnosis is estimated to 500 million dollars annually.

NeoDynamics is conducting clinical studies in Germany and the UK and intends to continue the commercialization of NeoNavia<sup>®</sup> in selected markets during 2022. The Rights Issue is carried out to finance marketing activities at selected centers in the UK, Germany and Sweden, preparations for product launch of NeoNavia<sup>®</sup> in the United States, initial measures for registration in China, continued product development and completion of the clinical program.

#### *Use of issue proceeds*

In the case of a fully subscribed Rights Issue, NeoDynamics will receive approximately SEK 69.3 million, before deductions for issue costs. The issue proceeds from the Rights Issue will

be used to enable the Company's business plan and are planned to be allocated in accordance with the following order of priority and with an approximate share of:

1. sales and marketing (approximately 81%);
  - continued work on building reference centers with opinion leaders in Germany, the United Kingdom and Sweden;
  - preparation for the introduction of NeoNavia® in the United States;
  - clinical trials conducted to support marketing and product differentiation in the UK and US;
2. product development, patents and regulatory work (approximately 17%);
  - widening to more uses for precision biopsy;
  - management of regulatory processes in the United States and in China;
3. investments in fixed assets (CAPEX) and inventories as well as working capital (approximately 2%).

The stated percentages are approximate and may therefore be adjusted slightly.

### **Terms of the Rights Issue**

Those who are registered as a shareholder on the record date of March 4, 2022, have a preferential right to subscribe for ordinary shares in the Rights Issue in relation to the number of ordinary shares held on the record date. One (1) existing share in the Company entitles to one (1) subscription right. One (1) subscription right entitles the holder to subscribe for one (1) new share, i.e., a subscription ratio of 1: 1. In addition, investors are offered the opportunity to sign up for subscription of shares without the support of subscription rights.

If not all newly issued shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the Rights Issue in the following order: firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and, if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; secondly, to those who have applied for subscription of shares without exercise of subscription rights and, if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for; and thirdly, to those who have provided guarantee commitments with regard to subscription of shares, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

The subscription price is SEK 1.15 per new share. Provided that the Rights Issue is fully subscribed, the share capital will increase by a maximum of SEK 6,025,059.20 through a new issue of a maximum of 60,250,592 new shares. Upon full subscription, the Rights Issue will provide NeoDynamics with SEK 69,288,181 before deduction of issue costs. Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully

subscribed, have their ownership diluted by 50 percent, but are able to financially compensate for this dilution by selling their subscription rights.

Subscription of shares shall take place during the period from and including March 9, 2022, to and including March 23, 2022. The Board has the right to extend the subscription and payment period. A possible extension of the subscription period shall be announced by press release no later than the last subscription day in the Rights Issue, i.e., March 23, 2022. Trading in subscription rights will take place on Spotlight Stock Market during the period from March 9, 2022, to March 18, 2022, and trading in paid subscribed shares (Sw. *Betalda tecknade aktier*) during the period from March 9, 2022, until the Rights Issue is registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

### **Subscription and guarantee commitments**

NeoDynamics has received subscription commitments from a selection of the Company's existing shareholders, including CEO Anna Eriksrud and chairman Ingrid Salén, amounting to approximately SEK 27.8 million, corresponding to approximately 40 percent of the Rights Issue. Furthermore, the Company has entered into agreements on guarantee commitments amounting to approximately SEK 41.5 million, corresponding to approximately 60 percent of the Rights Issue. The guarantors ensure, provided that subscription takes place at least corresponding to the subscription commitments, that 100 percent of the Rights Issue is subscribed and paid for.

### **Preliminary timetable for the Rights Issue**

February 25, 2022	Extraordinary General Meeting
March 2, 2022	Last day for trading in the share incl. subscription right
March 3, 2022	First day for trading in the share excluding subscription rights
March 4, 2022	Estimated date for publication of prospectus
March 4, 2022	Record day in the Rights Issue
March 9 - March 18, 2022	Trade in subscription rights
March 9 - March 23, 2021	Subscription period
March 9, 2022 - until the Rights Issue is registered with the Swedish Companies Registration Office	Trading in paid subscription shares (Sw. "BTA")
March 28, 2022	Estimated date for publication of the outcome of the Rights Issue

### **Extraordinary general meeting**

The Board's resolution on the Rights Issue is subject to approval by the Extraordinary

General Meeting on February 25, 2022. Notice of the Extraordinary General Meeting will be made public in a separate press release.

### **Prospectus**

Full terms and conditions for the Rights Issue, as well as other information about the Company and information about subscription commitments and guarantee commitments will be available in the prospectus that the Company is expected to publish on or around March 4, 2022 (the "**Prospectus**").

### **Evaluating changing listing venue to Nasdaq First North**

The Company is evaluating the possibilities of changing listing venue from Spotlight Stock Market to Nasdaq First North Growth Market, which is expected to take place during the first half of 2022.

### **Advisers**

Redeye AB acts as financial advisor, Advokatfirman Lindahl KB acts as legal advisor and Nordic Issuing AB acts as an issuing agent in connection with the Rights Issue.

### **For further information, please contact:**

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*This information is such information as NeoDynamics AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.30 a.m. CEST on February 9, 2022.*

### **About NeoDynamics**

NeoDynamics AB (publ) is a Swedish medical technology company that works to improve the diagnosis and treatment of cancer. The company's first product NeoNavia<sup>®</sup>, which is a new pulse biopsy system for ultrasound-guided tissue sampling, is now being introduced to the market. The biopsy system is based on a patented pulse technology based on research at Karolinska Institutet in Sweden. NeoNavia<sup>®</sup> is being evaluated for the diagnosis of breast cancer at leading clinics in the UK, Germany, and Sweden. The pulse biopsy system has been used for tissue sampling in the breasts and lymph nodes of over 500 patients.

### **About NeoNavia**

NeoNavia is a modern biopsy system with a completely new patented pulse technology that is intended to be used for ultrasound-guided tissue sampling. It consists of a base unit, a handset and three types of biopsy needles. Each needle type is driven by the new pulse technology that provides a more controlled needle insertion and precise placement of the needle in the tumor while enabling high-quality tissue samples from both breasts and lymph nodes. The pulse biopsy system NeoNavia is designed to offer doctors and patients a precise and reliable tissue sampling that enables a correct diagnosis and individualized treatment.

## **IMPORTANT INFORMATION**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in NeoDynamics. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden.

This release is not a prospectus in accordance to the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares or other securities in NeoDynamics. A prospectus will be prepared and in connection with the Rights Issue and be reviewed and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) which is the national competent authority in Sweden with regard to the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares or other securities in NeoDynamics have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain forward-looking statements which reflect the Company’s current view on future events and financial and operational development. Words such as “*intend*”, “*expect*”, “*anticipate*”, “*may*”, “*believe*”, “*plan*”, “*estimate*” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.