



Inify Laboratories AB

# Interim report for the second quarter 2022

# This is Inify Laboratories

**Our vision**  
**World leading**  
**cancer diagnostics**  
**for everyone!**

## Who we are

We are a cross-professional team including corporate, technical, laboratory operations and medical expertise. All with extensive skills in their individual profession as well as extensive experience within healthcare and the pathology domain from different perspectives.

## What we do

Inify Laboratories are building and establishing an ultra-modern laboratory concept that will provide cancer diagnostics within histopathology, initially for diagnosing prostate cancer. Diagnostic services will be offered to both public and private healthcare providers. The business model and technical setup allows for scalability in volume, diagnosis, and geographical expansion.

## How we do it

We construct a unique setup of systems and processes enabling a fully digital, standardized and AI-supported workflow to optimize quality and shorten response times. Services will be offered for selected cancer types where specialization together with an optimal system where seamless machine-human integration is the standard.

## Why we do it

Clinical pathology is currently under high pressure, with heavy workloads and limited – even declining – resources in many regions. Aging populations, increasing cancer incidence, and more frequent exams and screening programs further increase the workload. Solving the problem by manpower alone is simply not possible, as there is an acute lack of medical professionals within pathology. High workload combined with limited access to specialized expertise and modern technology increases the risk of diagnostic errors while limiting time and investments for modernization.

# Second Quarter Highlights



- Funding of NOK 150 millions
- Listing on Euronext Growth Oslo
- Leasing agreement signed
- CMO recruited



**Letter from the CEO**

# Successful listing on Euronext Growth, solid funding of NOK 150 million and important milestones reached

Since Inify became independent in February 2022, a fundamental priority has been to complete a solid funding round that will enable us to focus on the establishment of our first ultramodern laboratory in Stockholm, and bring it to proof-of-concept stage. A private placement offer, followed by a subsequent offer of total NOK 150m, was completed in the first half of June.

Inify's major shareholder after the spin-off attended the private placement as the main investor, accompanied by several large shareholders, board members and management. The attendance in the subsequent offer to ensure equal treatment of shareholders contributed with about 10 percent of total funding. This provides us with a solid long-term base of shareholders who share our vision to provide world leading cancer diagnostic services.

**Inify Laboratory – Campus Solna, Sweden**

We signed a five-year leasing contract for our office and laboratory facilities at Campus Solna in Sweden, next to world-leading healthcare. These will be Inify's headquarters, with the first laboratory as well as our Center of Excellence. We estimate to move into the new facility during the fourth quarter and immediately commence installation of systems and equipment, followed by the accreditation process.

Most of the selected special equipment has been ordered during the second quarter to ensure timely deliveries, so that the

laboratory can begin production of prostate cancer diagnosis according to plan – sometime during the first half of 2023.

**Unique, standardized system**

In parallel, the team continues to develop and integrate our specially designed IT system and processes, built to support a fully digital, standardized workflow and reporting system. This will enable us to

*“The second quarter has been a period of significant progress towards our target of offering laboratory services for prostate cancer diagnosis from as early as possible in 2023.”*

provide rapid and predictable response times, while ensuring the highest possible diagnostic quality by combining our high performing AI solution with certified pathologists.

**Organization**

We currently have 16 employees, accompanied by several specialized consultants for certain tasks. Advanced technical, laboratory and medical competence are present in the team; all have great expertise, both within their niche as well as in the pathology domain. Recently announced in a press release, we welcome Dr. Claes Lindh, M.D. and Ph.D in prostate cancer

pathology from Karolinska Institute, who will join us in September as Chief Medical Officer. Lindh completes the management team and will be instrumental in the diagnostic parts of the operations, as well as our medical strategy going forward.

#### Dialogue with potential customers

Mapping our potential customer base within the Nordics and parts of Europe is the present focus of our commercial team. This is carried out through dialogues and meetings with both private and public urology clinics and departments. When we started Inify Laboratories as a project several years ago, we were confident that there is an extensive need for our upcoming specialized services; continuous dialogues with potential customers certainly confirms this need.

**Specialization**, initially within prostate cancer diagnostics, provides fast, predictable turn-around times as well as the highest quality, through a combination of AI support and niche medical expertise. It offers workload relief for existing general pathology laboratories challenged by a large variety of diagnostic work tasks while suffering from a shortage of resources.

**Inclusion** is another key in our services. We will also offer our customers the possibility to certify their own resources (pathologists) to become a part of our process. Put simply, we prepare, digitalize, and run the AI predictions on the tissue samples, and the customer's own pathologist can then make the final diagnosis – remotely – after certification in the system. An existing laboratory can thereby become digital overnight for certain exams.

#### Listing

After extensive preparations, we applied for listing of Inify Laboratories on Euronext Growth at Oslo Børs in early June and were listed on June 20th. The spin-off from ContextVision was carried out through a dividend of shares to existing

shareholders in February. It was important to succeed with a compact process from spin-off to listing, to facilitate trading for our shareholders.

The introduction drew great interest, and we see the trading activities that took place immediately after listing as clear proof of interest for the company among investors. This despite present circumstances related to the terrible war situation in Ukraine and the macroeconomic instability that has changed the conditions on the financial market.

#### Summary

To summarize, the second quarter has been a period of significant progress towards our target of offering laboratory services for prostate cancer diagnosis from as early as possible in 2023.

To lead and be a part of such a dedicated team of talented and skilled individuals, together with the opportunities ahead of us, is a true joy. Our cross-professional team, and the way we work together, is a huge strength – and certainly one of our most important success factors.

With our solid financial foundation, dedicated team, and encouraging response regarding the need for our services, we continue with full speed towards our launch.



“Our cross-professional team, and the way we work together, is a huge strength – and certainly one of our most important success factors.”

#### Fredrik Palm

Chief Executive Officer

# Second Quarter Results 2022

## Company development

Inify Laboratories AB is a Swedish company, with registration number 559345-4431 and with its registered office in Stockholm, Sweden.

The company was incorporated in November 2021 as a subsidiary to ContextVision AB. After a resolution at an extraordinary general meeting in December 2021, Inify Laboratories was spun-off by a dividend of shares that was carried out in February 2022. The company is currently building its first laboratory and office facilities. Its business will be cancer diagnosis, focusing on prostate cancer for a start.

## Financial development

Due to the recent forming of the company it has not yet any customer contracts and no revenue has been recorded. The first revenues are expected during the first half of 2023, depending on the speed of rebuilding of the offices, installation of equipment, necessary accreditation of the laboratory and market acceptance. The company's costs mainly consist of personnel costs and external costs. During the period November 2021 – June 2022 the company had non-recurring costs connected to the spin-off, fund raising and listing of SEK 7.3 million. The costs mainly relates to legal advisors, stock exchange listing fees and auditor fees.

## Cash-flow and financing

Prior to the spin-off from the former parent company (ContextVision) in February 2022, assets were transferred from the parent company to Inify Laboratories with a total value of SEK 31.3 million. The assets transferred included tangible assets amounting to SEK 0.7 million, intangible assets amounting to SEK 10.1 million and bank funds of SEK 20.5 million.

At an extraordinary general meeting on 9 May 2022, it was resolved to carry out a private placement and a subsequent offering of NOK 150 million, to secure long term funding for the company. The raised capital was paid to the company during July. Cash and bank assets at 30 June amounted to SEK 12.6 millions.

## Tangible and intangible assets

During the second quarter 2022 no new investments in tangible or intangible assets were made. The current intangible assets consist of the product INIFY Prostate™ which the company intends to use as an internal tool in the cancer diagnosis process. Since the company currently is establishing its first laboratory, major investments in laboratory equipment and hardware for research can be expected during the coming periods.

## Leasing

The company signed a leasing agreement for a combined office and laboratory facility at Campus Solna in June 2022. The premises are currently being rebuilt and adapted to suit the business. Tentative move-in date is in early November 2022. The premises will house both the first laboratory as well as the head office for the company. In connection with signing the leasing agreement a deposit of SEK 875 thousand was paid.

## Personnel resources

At June 30th, 2022 the company had 16 employees, all located in Sweden. Since the date of incorporation in November 2021 and onward, new personnel resources have regularly been recruited to join the company. The latest addition to the team was Dr. Claes Lindh who was recruited as Chief Medical Officer and will join the team in September 2022.

## Incentive program

The Company's general meeting resolved on 9 May 2022 to implement a long-term incentive program for employees (the "Employee Incentive Program") and a long-term incentive program for board members (the "Board Member Incentive Program"). The long-term incentive program consists of a maximum of 3,935,599 options, divided between the Employee Incentive Program and the Board Member Incentive Program. Assuming that all options are exercised, this will correspond to a total dilution of approximately 8% based on the number of outstanding shares at the date of this report.

## Related party transactions

Board member Martin Ingvar is engaged as consultant through his own company Brain Business AB. His consultancy duties include niche expertise within software development related to health care informatics. His engagement is executed on an hourly basis approved by the CEO.

Transearch International Sweden AB – an executive search firm where Olof Sandén, Chairman of the board is a partner, has been engaged for recruitment of a Chief Medical Officer to the company. It was a time limited agreement for this specific recruitment process and it was completed in June.

There is a rental agreement for co-working space in ContextVision's facilities in Stockholm and Linköping in Sweden while the company's new facilities are being rebuilt and adapted.

Other than set out above, the Company has not entered into any related party transactions since incorporation.

## Risks and uncertainties

The major risk factors and uncertainties for the company comprise, but are not limited to, risks related to the business and industry in which the Company operates, legal and regulatory risks, risks related to the Issuer's financial situation and risks relating to the shares and the listing of the shares on Euronext Growth Oslo. For further details on the company's risk factors, please see the Information Document that was published in connection with the listing on Euronext Growth in June 2022. The risks and uncertainties have not changed significantly since then.

## Basis of preparation

The condensed financial statements for the 2nd quarter 2022, ending June 30th 2022 have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Board's general advice BFNAR 2012:1 Annual accounts and consolidated accounts ("K3"). The condensed financial statements do not include all the information and disclosures required in the annual financial statements.

The company was incorporated on 10 November 2021 and it's first financial year has been extended to cover the period from establishment until 31 December 2022. Comparative figures for previous periods are therefore not available.

This report has not been reviewed by the company's auditors.

## New and changed accounting principles

No new or changed accounting principles have had effect on the accounting for the period.

## Subsequent events

During the period between period-end and the issuance of this report the Board of Directors have published an invitation to an extraordinary general meeting to be held on August 30th. Except from that, no other significant events have occurred.

## Shareholder information

- Inify Laboratories AB was listed on Euronext Growth Oslo on June 20th, 2022 under the ticker INIFY (ISIN SE0017486103).
- The company has a total of 45,236,750 shares outstanding. All shares have equal rights and are freely transferable.

## Financial calendar

This quarterly report will be published on the company's website on the 17th of August 2022. For further information, please visit [www.inify.com](http://www.inify.com).

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17 August 2022      **Publication of Q2 2022 Financial report**

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30 August 2022      **Extraordinary General Meeting**

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26 October 2022      **Publication of Q3 2022 Financial report**

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22 February 2023      **Publication of Q4 and full year 2022 Financial report**

## Key figures SEK 1000

	Q2 2022	Q2 2021 <sup>*</sup>	Nov 2021 – Jun 2022 <sup>**</sup>	Six months 2021 <sup>*</sup>
Number of shares at period end	45 236 750	n/a	45 236 750	n/a
Average number of shares	26 486 750	n/a	34 519 438	n/a
Earnings per share	-0.40	n/a	-0.57	n/a
Solidity (per cent)	93%	n/a	93%	n/a
EBITDA	-17 704	n/a	-25 062	n/a

The company use some figures that are considered as Alternative Performance Measures.

Please see description under section Alternative Performance Measures and Definitions.

<sup>\*</sup> The company was founded in November 2021, wherefore no comparative figures are available.

<sup>\*\*</sup> The company's first financial year has been extended and covers 14 months.

## Income statement in summary SEK 1000

	Q2 2022	Q2 2021 <sup>*</sup>	Nov 2021 – Jun 2022 <sup>**</sup>	Six months 2021 <sup>*</sup>
Net sales	0	n/a	0	n/a
<b>Total sales</b>	<b>0</b>	<b>n/a</b>	<b>0</b>	<b>n/a</b>
Cost of goods	0	n/a	0	n/a
Other external costs	-11 650	n/a	-16 332	n/a
Personnell costs	-6 052	n/a	-8 731	n/a
Depreciation	-537	n/a	-896	n/a
<b>Operating results</b>	<b>-18 241</b>	<b>n/a</b>	<b>-25 958</b>	<b>n/a</b>
Interest income	1	n/a	1	n/a
Interest cost	0	n/a	0	n/a
<b>Results after financial items</b>	<b>-18 240</b>	<b>n/a</b>	<b>-25 957</b>	<b>n/a</b>
Tax	0	n/a	0	n/a
<b>Net results</b>	<b>-18 240</b>	<b>n/a</b>	<b>-25 957</b>	<b>n/a</b>

<sup>\*</sup> The company was founded in November 2021, wherefore no comparative figures are available.

<sup>\*\*</sup> The company's first financial year has been extended and covers 14 months

## Statement of comprehensive income SEK 1000

	Q2 2022	Q2 2021 <sup>*</sup>	Nov 2021 – Jun 2022 <sup>**</sup>	Six months 2021 <sup>*</sup>
Net result for the period	-18 240	n/a	-25 957	n/a
<b>Other comprehensive income</b>				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	0	n/a	0	n/a
<b>Total comprehensive income</b>	<b>-18 240</b>	<b>n/a</b>	<b>-25 957</b>	<b>n/a</b>

<sup>\*</sup> The company was founded in November 2021, wherefore no comparative figures are available.

<sup>\*\*</sup> The company's first financial year has been extended and covers 14 months

## Balance sheet in summary SEK 1000

Assets	June 30th, 2022	June 30th, 2021 <sup>†</sup>	Full year 2021 <sup>†</sup>
Intangible fixed assets	9 250	n/a	n/a
Tangible assets	604	n/a	n/a
Other financial assets	875	n/a	n/a
Current receivables	149 236	n/a	n/a
Cash and bank	12 575		
<b>Total assets</b>	<b>172 539</b>	<b>n/a</b>	<b>n/a</b>
<b>Equity and liabilities</b>			
Equity	161 417	n/a	n/a
Current liabilities	11 122	n/a	n/a
<b>Total equity and liabilities</b>	<b>172 539</b>	<b>n/a</b>	<b>n/a</b>

<sup>†</sup>The company was founded in November 2021, wherefore no comparative figures are available.

## Change in equity in summary SEK 1000

	Q2 2022	Q2 2021 <sup>†</sup>	Nov 2021 – Jun 2022 <sup>**</sup>	Six months 2021 <sup>†</sup>
Opening balance	24 034	n/a	500	n/a
Total comprehensive income for the period	-18 238	n/a	-25 957	n/a
Contributed Capital	0	n/a	31 253	n/a
New shares issue	155 621	n/a	155 621	n/a

<sup>†</sup>The company was founded in November 2021, wherefore no comparative figures are available.

<sup>\*\*</sup>The company's first financial year has been extended and covers 14 months

## Signatures

The board and the CEO certify that this interim report for the period 10, November 2021 – 30 June, 2022 provides a fair and true overview of the company's operations, position and results and describes the significant risks and uncertainties that the company faces.

Stockholm, 17 August, 2022  
(Signatures on original document)

**Olof Sandén**  
Chairman of the board

**Fredrik Palm**  
CEO

**Martin Ingvar**  
Boardmember

**Magne Jordanger**  
Boardmember

# Alternative performance measures and definitions

In its financial reports, the company presents certain financial measures, including Key Figures, which are considered as Alternative Performance Measures (APM). The company believes that these figures provide useful supplementary information to investors and the company's board and management as they enable a better evaluation of the company's financial performance. Because not all companies calculate the financial figures in the same way, these are not always comparable to measures used by other companies.

Key figure	Definition	Motivation for usage
<b>Earnings per share after tax</b> (Return on equity)	Net result for the period divided by the number of outstanding shares at period end.	Earnings per share shows the company's results in relation to shares, and provides additional information regarding the company's profitability.
<b>Solidity</b> (Equity ratio)	Equity at period end as a percentage of total assets.	The equity ratio shows the company's long term ability to pay its debts and is a complement to other key figures. It helps assess the possibility of dividends.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization. Operating profit/loss before interest, taxes, impairment and depreciation/amortization.	EBITDA shows the company's underlying development, which is valuable as an indication of the company's underlying cash-generating capacity.

# Definitions

## Accreditation

Accreditation is a formal recognition that an organization is competent to perform specified tasks in testing, inspection and certification.

## Artificial Intelligence (AI)

Artificial Intelligence is the intelligence exhibited by machines or software.

## Biopsy

A small tissue sample taken with a hollow needle.

## Digital Pathology

Digital pathology refers to the digital images of histopathology samples. The digitalization is achieved by scanning the prepared samples.

## Histopathology

Examination of tissue specimens to study the visible manifestations of disease.

## Image analysis

Processing a digital image in order to describe/classify its contents or to extract quantitative measurements.

## Machine Learning

Machine learning is the study of computer algorithms that improve automatically through experience.

## Specimen

Part of a human body (e.g., Biopsy Specimen) or organ that is to be examined by the laboratory.



**Inify**  
Laboratories

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Inify Laboratories provides cancer diagnostics through ultra-modern laboratory services within histopathology. Fully digital, standardized and AI-supported workflow is applied to optimize quality and response times, initially for prostate cancer. The concept is scalable and extendable to other diagnosis. The company origins from ContextVision and became independent in February 2022. The company is based in Sweden and listed on Euronext Growth Oslo under the ticker INIFY.