



**Inify**  
Laboratories

Inify Laboratories AB

# Interim report for the first quarter 2023

# 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.

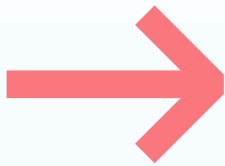
## How we do it

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 and 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.

# First quarter highlights



- Close dialogues with clinics
- Agreement for logistic services signed
- Wholly owned subsidiary established
- Cash position period-end of SEK 108.6 millions



A photograph of a man with short blonde hair and a light beard, smiling. He is wearing a dark grey suit jacket over a white button-down shirt. He is standing in front of a red brick wall. The text 'Letter from the CEO' is overlaid on the top right of the image.

Letter from the CEO

# Ultramodern laboratory service for prostate cancer diagnostics prepares for launch

## We continue to make good progress with our laboratory.

This first quarter has been dominated by work with installation, testing and documentation, to get the laboratory ready to serve public and private clinics with prostate cancer diagnostics.

**The interest** among upcoming customers remains strong. We have deepened our existing dialogues with clinics, while also extending our reach to additional clinics. We have attended several market and educational events to present our novel approach and are receiving an increasing number of invites to various events and individual clinics.

Visits to our premises at Campus Solna have been very important, with urologists and pathologists truly impressed by our demonstrations of our unique way of performing pathology. We clearly demonstrate that this is more than just another laboratory – it's an entire system, optimized for the highest efficiency and quality in diagnostics. We "walk the talk".

### Center of Excellence Laboratory

Testing and optimizing the system means that we process tissue samples from registration to final diagnosis, which is summarized in a semantic report that is sent to the referral urologist. Here, every step is thoroughly analyzed – from manual procedures, equipment and work instructions to the IT system and user interface – to ensure full traceability and statistical process control.

It is a chain where every part is equally important for the output. The optimized tissue preparation – performed with expert craftsmanship – results in unsurpassed image quality. This in turn allows our AI-based decision support tool, used at the back end of the process, to perform with impressive diagnostic accuracy and reproducibility.

### Innovative partnership

In March, we signed an agreement with a supplier of logistic services – a leading global company in valuable transports, where safety and traceability are their core business. With such a partner, we can keep full track of each and every tissue sample, from pick-up at the clinic to registration in our laboratory. This cross between two completely different industries is just another product of our innovative mindset. Any tissue sample picked up nationally will be delivered to our laboratory within 24 hours. In short, this is a partner that supports our customer promise of short, predictable turnaround times.

### Structure and premises

We developed the corporate structure further by adding a wholly owned subsidiary named Inify Laboratories Nordics,

where daily laboratory operations for the Nordic region will be carried out. We plan to expand with additional subsidiaries for laboratory operations internationally by the time we have a solid establishment in the Nordic operations.

In January we moved into our tailor-made R&D premises in Linköping, where we now house our simulation laboratory and part of our R&D team for continuous development work. This site has a direct link to our production facilities at Campus Solna.

### Organization

The laboratory team grew during the quarter, with the onboarding of experienced laboratory personnel. These key individuals were swiftly integrated in the team and could immediately contribute to the development and testing of laboratory procedures. With these additions, we are now fully staffed for the launch of our clinical operations.

### Approaching opening

In summary, this has been yet another quarter of progress towards the launch of our laboratory service. The entire team is showing a relentless focus on our mission, and we truly look forward to making modern, specialized prostate cancer diagnostics available for healthcare providers and patients.

"We clearly demonstrate that this is more than just another laboratory – it's an entire system, optimized for the highest efficiency and quality in diagnostics."

**Fredrik Palm**

Chief Executive Officer

# First quarter 2023

## 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 has during 2022 built its first laboratory and office facilities, and moved in during Q4 2022. During January 2023 a wholly owned subsidiary was formed, to support the business structure with a suitable organization. Its business will be pathology services for healthcare providers, focusing on prostate cancer for a start.

## Inify Laboratories Group

During January 2023 a wholly owned subsidiary was incorporated and thus a group was formed. The group consists of Inify Laboratories AB (publ), company registration number 559345-4431 as parent company, and Inify Laboratories Nordics AB, company registration number 559416-6828 as a wholly owned subsidiary.

The subsidiary's business will primarily consist of running the daily laboratory and diagnostics operations in the group's first laboratory in Solna, Sweden. The parent company's business will consist of managing the intangible assets, conducting research and development, group management and other administrative services at the group level.

## Financial development

Due to the recent forming of the company it has not yet any customer contracts and no revenue has been recorded during the period. The first revenues are expected during the first half of 2023, depending on the speed of installation of equipment, necessary accreditation of the laboratory and market acceptance. The company's costs mainly consist of personnel costs and other external costs.

## Operating results

Operating result for the first quarter 2023 was SEK -14.0 million. Inify's results after financial items was SEK -13.8 million for the quarter.

## 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 for the group at 31 March 2023 amounted to SEK 108.6 million. Cash flow for the first quarter was SEK -20.0 million. Equity at period end amounted to SEK 124.6 million, resulting in an equity ratio of 94.6%.

## Tangible and intangible assets

During the first quarter 2023 Inify invested SEK 1.8 million in tangible assets.

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. Capitalization will be recorded as intangible assets when the product development meets specified requirements. During the first quarter 2023 no development projects have reached the specified requirements and no capitalization has been registered.

## Leasing

The company signed a leasing agreement for a combined office and laboratory facility at Campus Solna in June 2022. The premises have been rebuilt and adapted to suit the business during 2022, and the company moved in during November 2022. The premises houses 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. During the fourth quarter 2022 a new leasing agreement for offices in Linköping, mainly intended for R&D activities, were signed. The newly built premises was completed in January 2023, and the company moved in during the month.

## Personnel resources

At March 31st, 2023 the group had 19 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. Personnel costs for the first quarter 2023 amounted to SEK 6.7 million.

## 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. Each option entitles the holder to acquire a new share or a warrant entitling to one share in the Company at an exercise price of NOK 4.80. The granted options vests over a 36-month period and may, as a general rule, only be exercised for the acquisition of new shares if the participant is still employed and the other conditions for qualified employee stock options under the Income Tax Act are met. The holder of options may exercise granted and vested options during the period from the end of the vesting period up to and including the tenth year from the date of grant.

## 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. In addition to above, the management closely monitor and regularly evaluates any risk that could arise from inflation, increasing energy prices or the ongoing war in Europe. 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 and the Annual Report 2022 that was published on April 12, 2023. The risks and uncertainties have not changed significantly since then.

## Related party transactions

There has been no significant transactions with related parties during the period.

## Basis of preparation

The condensed financial statements for the first quarter 2023, ending March 31st 2023 have been prepared in accordance with 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 parent 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. 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 no 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.
- Current information on major shareholders can be found on the company’s website [www.inify.com](http://www.inify.com).

## Financial calendar

This quarterly report will be published on the company’s website on the 26th of April 2023. For further information, please visit [www.inify.com](http://www.inify.com).

12 April 2023	<b>Publication of Annual Report 2022</b>
26 April 2023	<b>Publication of Q1 2023 Financial report</b>
16 May 2023	<b>Annual General Meeting</b>
23 August 2023	<b>Publication of Q2 2023 Financial report</b>
24 October 2023	<b>Publication of Q3 2023 Financial report</b>
29 February 2024	<b>Publication of Q4 and full year 2023 Financial report</b>

**Key figures** SEK 1000

	Q1 2023	Nov 2021 - Mar 2022*	Nov 2021 - Dec 2022*
Number of shares at period end	45 236 750	7 736 750	45 236 750
Average number of shares	45 236 750	7 736 750	34 519 438
Earnings per share	-0.31	-1.00	-0.98
Solidity (percent)	94.6%	82.4%	91.0%
EBITDA	-12 905	-7 359	-42 274

The company use some figures that are considered as Alternative Performance Measures. Please see description under section Alternative Performance Measures and Definitions.  
\* The company's first financial year was extended and covers 14 months.

**Consolidated income statement in summary** SEK 1000

	Q1 2023	Nov 2021 - Mar 2022*	Nov 2021 - Dec 2022*
Net sales	0	0	0
<b>Total sales</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of goods	0	0	0
Other external costs	-6 175	-4 680	-21 974
Personnel costs	-6 731	-2 679	-20 299
Depreciation	-1 053	-358	-2 345
<b>Operating results</b>	<b>-13 958</b>	<b>-7 717</b>	<b>-44 619</b>
Interest income	157	0	463
Interest cost	0	0	-1
<b>Results after financial items</b>	<b>-13 798</b>	<b>-7 717</b>	<b>-44 157</b>
Tax	0	0	0
<b>Net results</b>	<b>-13 798</b>	<b>-7 717</b>	<b>-44 157</b>

\* The company's first financial year was extended and covers 14 months

**Consolidated statement of comprehensive income** SEK 1000

	Q1 2023	Nov 2021 - Mar 2022*	Nov 2021 - Dec 2022*
Net result for the period	-13 798	-7 717	-44 157
<b>Other comprehensive income</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	0	0	0
<b>Total comprehensive income</b>	<b>-13 798</b>	<b>-7 717</b>	<b>-44 157</b>

\* The company's first financial year was extended and covers 14 months



## Consolidated balance sheet in summary SEK 1000

	March 31, 2023	March 31, 2022	December 31, 2022
<b>Assets</b>			
Intangible fixed assets	7 737	9 755	8 241
Tangible assets	10 532	637	9 341
Other financial assets	875	0	875
Inventories and other current assets	102	0	1 094
Current receivables	3 812	830	4 057
Cash and bank	108 556	17 942	128 521
<b>Total assets</b>	<b>131 614</b>	<b>29 164</b>	<b>152 128</b>
<b>Equity and liabilities</b>			
Equity	124 574	24 035	138 372
Current liabilities	7 040	5 129	13 756
<b>Total equity and liabilities</b>	<b>131 614</b>	<b>29 164</b>	<b>152 128</b>

## Change in equity in summary SEK 1000

	Q1 2023	Nov 2021 - Mar 2022*	Nov 2021 - Dec 2022*
Opening balance	138 372	500	500
Total comprehensive income for the period	-13 798	-7 717	-44 157
Contributed Capital	0	31 253	31 253
New shares issue	0	0	150 776
<b>Total</b>	<b>124 574</b>	<b>24 035</b>	<b>138 372</b>

\*The company's first financial year was extended and covers 14 months

**Parent company income statement in summary** SEK 1000

	Q1 2023	Nov 2021 - Mar 2022 <sup>*</sup>	Nov 2021 - Dec 2022 <sup>*</sup>
Net sales	0	0	0
<b>Total sales</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of goods	0	0	0
Other external costs	-6 056	-4 680	-21 974
Personnell costs	-6 731	-2 679	-20 299
Depreciation	-1 050	-358	-2 345
<b>Operating results</b>	<b>-13 837</b>	<b>-7 717</b>	<b>-44 619</b>
Interest income	157	0	463
Interest cost	0	0	-1
<b>Results after financial items</b>	<b>-13 681</b>	<b>-7 717</b>	<b>-44 157</b>
Tax	0	0	0
<b>Net results</b>	<b>-13 681</b>	<b>-7 717</b>	<b>-44 157</b>

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

**Parent company balance sheet in summary** SEK 1000

	March 31, 2023	March 31, 2022	December 31, 2022
<b>Assets</b>			
Intangible fixed assets	7 737	9 755	8 241
Tangible assets	10 382	637	9 341
Other financial assets	1 043	0	875
Inventories and other current assets	102	0	1 094
Current receivables	5 694	830	4 057
Cash and bank	106 510	17 942	128 521
<b>Total assets</b>	<b>131 467</b>	<b>29 164</b>	<b>152 128</b>
<b>Equity and liabilities</b>			
Equity	124 692	24 035	138 372
Current liabilities	6 775	5 129	13 756
<b>Total equity and liabilities</b>	<b>131 467</b>	<b>29 164</b>	<b>152 128</b>

## Parent company change in equity in summary SEK 1000

	Q1 2023	Nov 2021 - Mar 2022*	Nov 2021 - Dec 2022*
Opening balance	138 372	500	500
Total comprehensive income for the period	-13 681	-7 717	-44 157
Contributed Capital	0	31 253	31 253
New shares issue	0	0	150 776
<b>Total</b>	<b>124 692</b>	<b>24 035</b>	<b>138 372</b>

\* The company's first financial year was extended and covers 14 months

## Signatures

The board and the CEO certify that this interim report for the period 1 October – 31 December 2022 to the best of our knowledge, includes a fair and true review of the company's significant events, operations, financial position, results and related party transactions, and also describes the significant risks and uncertainties that the company faces.

Stockholm, 26 April, 2023

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**Olof Sandén**  
Chairman of the board

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**Fredrik Palm**  
CEO

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**Martin Ingvar**  
Boardmember

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**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

**© 2023 Inify Laboratories**

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.