



**Inify**  
Laboratories

Inify Laboratories AB

# Interim report for the second 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 has built and established an ultra-modern laboratory concept that provides cancer diagnostics within histopathology, initially for diagnosing prostate cancer. Diagnostic services is offered to both public and private healthcare providers. The business model and technical setup allows for scalability in volume, diagnosis, and geographical expansion.

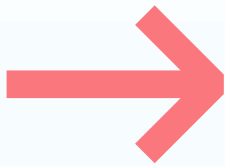
## How we do it

We have constructed a unique setup of systems and processes enabling a fully digital, standardized and AI-supported workflow to optimize quality and shorten response times. Services are 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.

# Second quarter highlights



- Launch of laboratory services and first patient biopsy samples processed
- First revenue recognized in June
- Cash position period-end of SEK 90.4 millions





Letter from the CEO

**Successful launch  
of pioneering  
laboratory service.  
Inify delivers  
prostate cancer  
diagnostics  
according to plan.**

“I see the fact that we have had customers since the opening day as clear confirmation of the need and value of our services, and their response has been very positive.”

**We launched our unique laboratory service in mid-June, completely according to plan. Already on the opening day, we received samples from our first customers in Sweden. With the delivery of our first diagnoses, our first revenues were thus booked, an important milestone and the firm start of the company's establishment phase in the Nordic region.**

#### Preparations for opening

During the second quarter, the entire organization focused on preparations for the launch of our laboratory services. The entire system – consisting of logistics, laboratory processes and IT systems, which includes our proprietary decision support tool based on machine learning (AI) – has been completed for production and documented according to current regulations. At the end of May, our application for accreditation was sent to Swedac, the control body for laboratories in Sweden.

#### Customers

Thanks to our close dialogue with clinics during the build-up period, several customers were well prepared to send samples as soon as the service was launched. In direct connection with the launch, the first samples were delivered to Inify's laboratory, and since then we have continuously received biopsies for sample preparation and diagnosis. All diagnoses have been delivered within promised response time with a good margin.

Close communication with urology clinics is an important part of our business, optimizing the workflow throughout the entire process – from sampling at the clinics to delivery of the diagnosis report. Every part of the process focuses on ensuring the best conditions for diagnostics with the highest precision.

#### Partnerships

During the period, we have started collaboration with a couple of important partners with whom we signed agreements earlier in the year. These partnerships

strengthen our offer while demonstrating our innovative way of thinking.

The collaboration with the Swedish branch of Loomis has now been established. Loomis is a global value transport company, and are responsible for storage and distribution of packaging materials as well as the transport of samples from clinics to our laboratory. Like Inify, Loomis has a clear priority on minimizing environmental impact; an example is that our packaging material for samples can be reused at least a thousand times. Loomis has coverage throughout entire Sweden, and samples are usually delivered within 24 hours from pick-up at the clinics. Loomis is internationally established, which would facilitate Inify's ambitions of future expansion.

We also now collaborate with InfoSolutions, who offers services and products for management of information between systems within healthcare. This collaboration has allowed us to tailor our solution for handling referrals and responses, another important aspect in facilitating digital interaction with our customers. The referral template for each patient case is clear and easy to fill in. The diagnosis report is completely standardized, minimizing the risk of misinterpretation and providing optimal conditions for a clear diagnosis, which in turn facilitates treatment decisions.

#### Organization

As previously communicated, we have formed a group by starting a wholly owned subsidiary, Inify Laboratories Nordics. The daily laboratory operations are conducted in the subsidiary, while group manage-

ment, business and product development are conducted from the parent company. The team has grown further by welcoming new colleagues in the laboratory operations and the development team. Additional colleagues for our IT development operations have been signed and will join us later in the year. At the end of the period, the company had 21 employees, and we have all skills in place as we now enter our establishment phase.

#### Looking forward

Our impressive team, with its strong commitment, knowledge and innovation, has taken us to launch on schedule.

During the development phase, we have had a close dialogue with clinics and healthcare providers who clearly show great interest. I see the fact that we have had customers since the opening day as clear confirmation of the need and value of our services, and their response has been very positive.

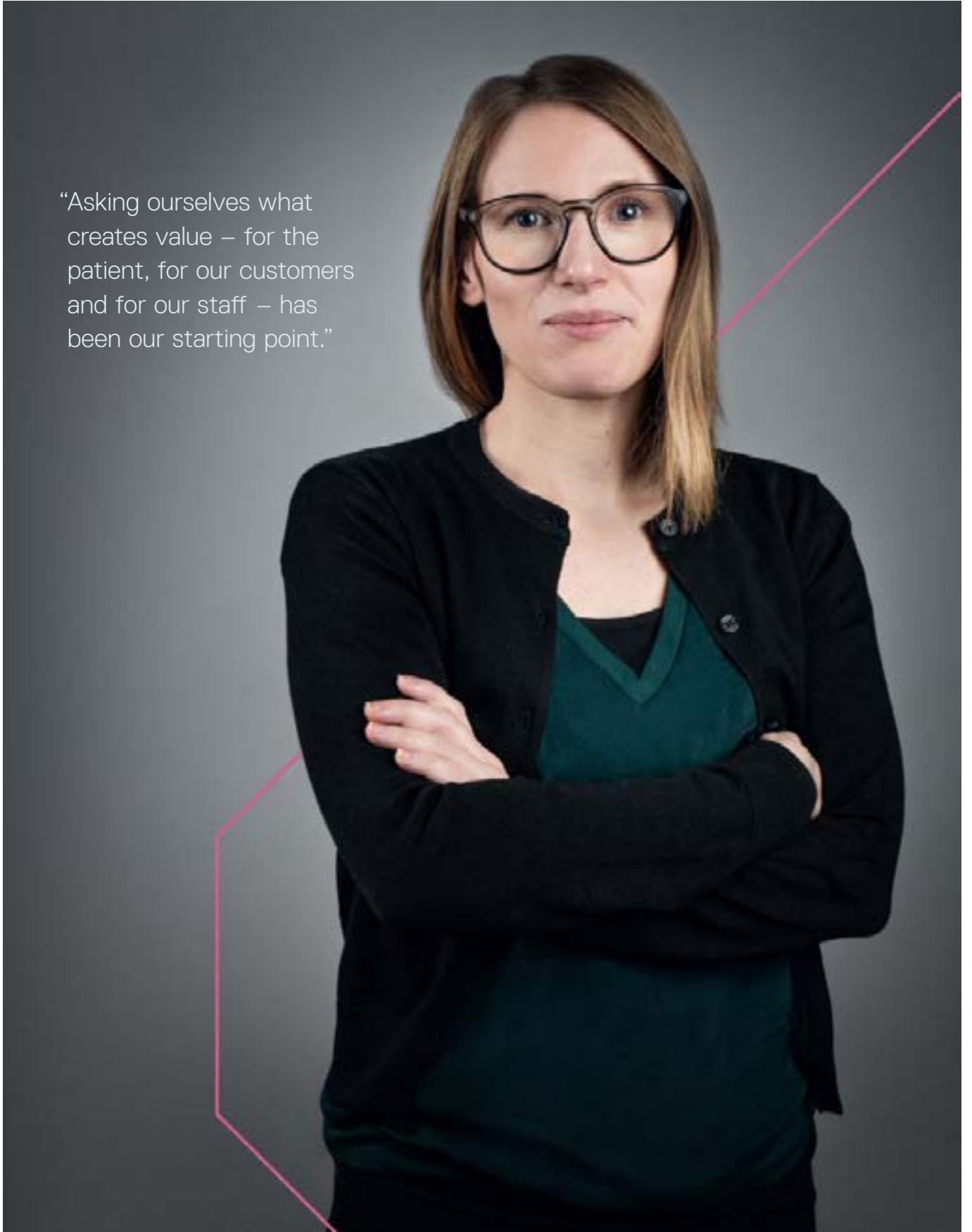
We are now entering the establishment phase, focusing on growing our customer base while continuously developing and improving our unique laboratory system.

The team, the clear need for our services, and the positive response from all our customer meetings allow me to look forward with further strengthened optimism.

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**Fredrik Palm**  
Chief Executive Officer

“Asking ourselves what creates value – for the patient, for our customers and for our staff – has been our starting point.”





# Words from the Laboratory Manager

**We have now been working** with our laboratory system for a few months, and the result is more than satisfactory. Since our opening in June, our response time – from the collection of samples until our customers have an electronically structured, easy-to-read report – has been well within the promised time. The secret behind our short, predictable response times – a major challenge for many laboratories – is that we have had the opportunity to build our laboratory from scratch, with a common goal: to create tomorrow's laboratory, offering world-class cancer diagnostics!

## What does this mean exactly?

Asking ourselves what creates value – for the patient, for our customers and for our staff – has been our starting point. We have examined the entire histopathological process, every step, component and element, to determine whether or not it

“The physical layout of our premises reflects the laboratory process, and is characterized by a good working environment and efficiency in every step.”

creates value. Our customized, in-house laboratory information system (LIS) supports and assists us with complete traceability. It also increases patient safety, an important aspect as our work routines are paperless and involve documentation of so-called macro images throughout the entire histopathological process. In addition, we have our world-class integrated algorithm, which provides our pathologists with fantastic decision support.



**The physical layout of our premises** reflects the laboratory process, and is characterized by a good working environment and efficiency in every step. We have created the process on the basis that our biomedical analysts and pathologists will be performing tasks that require their expertise. In our design choices, we have eliminated non-qualified work such as sorting, lifting heavy cans, or manual printing of reports. One concrete example is that all chemicals used are pumped up to the respective workstation directly from our chemical room.

**The creation of this workflow** has required a multidisciplinary team with different experiences and perspectives, allowing a more comprehensive view and innovative thinking. In addition, we have worked closely with our customers and listened to their needs.

**Having worked in the same way** with our partners in other industries, we have learned to draw on others' experience.

As an example, thanks to our logistics partner we have traceability at patient sample level, which is unique in Sweden. It increases patient safety during sample transport from the clinics to the laboratory. Another innovative solution is our use of oil tank gauges on our chemical drums, allowing us to measure our chemical levels electronically.

**We are excited** about the establishment phase we're in, where we can provide an increasing number of patients with the best possible cancer diagnostics. It's something we think everyone deserves!

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**Emelie Edvigsson**  
Laboratory Manager

# Second 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. During 2022 the company built its first laboratory and office facilities, and moved in at the end of 2022. During January 2023 a wholly owned subsidiary was formed, to support the business structure with a suitable organization. The laboratory launched its pathology services for healthcare providers in mid June 2023, focusing on prostate cancer for a start.

## Inify Laboratories Group

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, formed in January 2023.

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

## Financial development

In mid June the laboratory launched its operations and the first patient tissue samples were processed and diagnosed. During the first weeks of service new customers were swiftly on-boarded and revenues of TSEK 125 was recorded. The company's costs mainly consist of personnel costs and other external costs.

## Operating results

Inify's operating result for the second quarter 2023 was SEK -14.7 million (-18.2). The results after financial items was SEK -14.3 million (-18.2) 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 2022.

Cash and bank assets for the group at 30 June 2023 amounted to SEK 90.4 millions (12.6). Cash flow for the second quarter was SEK -12.8 millions. Equity at period end amounted to SEK 110.3 millions (161.4), resulting in an equity ratio of 93.6% (93.6%).

## Tangible and intangible assets

Tangible assets at period end amounted to SEK 10.3 millions (0.6).

The intangible assets consist of the product Inify Prostate™, a decision support tool for prostate cancer diagnosis. It was initially developed by ContextVision, and was acquired and further developed by Inify Laboratories. It now serves as a fully integrated component in the internally customized laboratory information system. Intangible assets at period end amounted to SEK 7.2 millions (9.3).

## 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.

## Employees

At June 30th, 2023 the group had 21 (16) employees in total, all located in Sweden.

## 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.

## Annual General Meeting

On May 16, 2023, Inify held its first ordinary Shareholders' Annual General Meeting. The Annual General Meeting resolved, with the required majority, on all matters in accordance with the Board of Directors's proposals. In summary, the main decisions made were:

- To approve the annual financial accounts for 2022.
- To distribute the financial results according to proposed.
- The members of the Board of Directors and the CEO were discharged from liability.
- To adopt new Articles of Association in accordance with the proposal.
- Remuneration to the Board of Directors was determined.
- Remuneration to the auditors will be paid against invoice.
- Board members Olof Sandén, Martin Ingvar and Magne Jordanger were re-elected as board members.
- Grant Thornton Sweden AB was re-elected as audit firm, with Joakim Söderin as acting auditor.

## 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 second quarter 2023, ending June 30th 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 its 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 23rd of August 2023. For further information, please visit [www.inify.com](http://www.inify.com).

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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>

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**Key figures** SEK 1000

	Q2 2023	Q2 2022	Six months 2023	Nov 2021 – Jun 2022*	Nov 2021 – Dec 2022*
Number of shares at period end	45 236 750	45 236 750	45 236 750	45 236 750	45 236 750
Average number of shares	45 236 750	26 486 750	45 236 750	34 519 438	34 519 438
Earnings per share	-0.32	-0.40	-0.62	-0.57	-0.98
Solidity (percent)	93.6%	93.6%	93.6%	93.6%	91.0%
EBITDA	-13 584	-17 704	-26 485	-25 062	-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

	Q2 2023	Q2 2022	Six months 2023	Nov 2021 – Jun 2022*	Nov 2021 – Dec 2022*
Net sales	125	0	125	0	0
<b>Total sales</b>	<b>125</b>	<b>0</b>	<b>125</b>	<b>0</b>	<b>0</b>
Cost of goods	-52	0	-52	0	0
Other external costs	-5 743	-11 650	-11 913	-16 332	-21 974
Personnel costs	-7 913	-6 052	-14 644	-8 731	-20 299
Depreciation	-1 099	-537	-2 152	-896	-2 345
<b>Operating results</b>	<b>-14 683</b>	<b>-18 241</b>	<b>-28 637</b>	<b>-25 958</b>	<b>-44 619</b>
Interest income	381	1	538	1	463
Interest cost	0	0	0	0	-1
<b>Results after financial items</b>	<b>-14 303</b>	<b>-18 240</b>	<b>-28 099</b>	<b>-25 957</b>	<b>-44 157</b>
Tax	0	0	0	0	0
<b>Net results</b>	<b>-14 303</b>	<b>-18 240</b>	<b>-28 099</b>	<b>-25 957</b>	<b>-44 157</b>

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

**Consolidated statement of comprehensive income** SEK 1000

	Q2 2023	Q2 2022	Six months 2023	Nov 2021 – Jun 2022*	Nov 2021 – Dec 2022*
Net result for the period	-14 303	-18 240	-28 099	-25 957	-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	0	0
<b>Total comprehensive income</b>	<b>-14 303</b>	<b>-18 240</b>	<b>-28 099</b>	<b>-25 957</b>	<b>-44 157</b>

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

## Consolidated balance sheet in summary SEK 1000

	June 30, 2023	June 30, 2022	December 31, 2022
<b>Assets</b>			
Intangible fixed assets	7 232	9 250	8 241
Tangible assets	10 342	604	9 341
Other financial assets	875	875	875
Inventories and other current assets	318	0	1 094
Current receivables	3 403	149 236	4 057
Cash and bank	95 762	12 575	128 521
<b>Total assets</b>	<b>117 932</b>	<b>172 539</b>	<b>152 128</b>
<b>Equity and liabilities</b>			
Equity	110 273	161 417	138 372
Current liabilities	7 659	11 122	13 756
<b>Total equity and liabilities</b>	<b>117 932</b>	<b>172 539</b>	<b>152 128</b>

## Consolidated change in equity in summary SEK 1000

	Q2 2023	Q2 2022	Nov 2021 – Dec 2022*
Opening balance	124 574	24 034	500
Total comprehensive income for the period	-14 303	-18 238	-44 157
Contributed Capital	0	0	31 253
New shares issue	0	155 621	150 776
<b>Total</b>	<b>110 273</b>	<b>161 417</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

	Q2 2023	Q2 2022	Six months 2023	Nov 2021 – Jun 2022 <sup>1</sup>	Nov 2021 – Dec 2022 <sup>1</sup>
Net sales	0	0	0	0	0
<b>Total sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of goods	-7	0	-7	0	0
Other external costs	-5 582	-11 650	-11 636	-16 332	-21 974
Personnell costs	-7 913	-6 052	-14 644	-8 731	-20 299
Depreciation	-1 091	-537	-2 141	-896	-2 345
<b>Operating results</b>	<b>-14 594</b>	<b>-18 241</b>	<b>-28 429</b>	<b>-25 958</b>	<b>-44 619</b>
Interest income	381	1	538	1	463
Interest cost	0	0	0	0	-1
<b>Results after financial items</b>	<b>-14 213</b>	<b>-18 240</b>	<b>-27 891</b>	<b>-25 957</b>	<b>-44 157</b>
Tax	0	0	0	0	0
<b>Net results</b>	<b>-14 213</b>	<b>-18 240</b>	<b>-27 891</b>	<b>-25 957</b>	<b>-44 157</b>

<sup>1</sup>The company's first financial year was extended and covers 14 months

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

	June 30, 2023	June 30, 2022	December 31, 2022
<b>Assets</b>			
Intangible fixed assets	7 232	9 250	8 241
Tangible assets	10 199	604	9 341
Other financial assets	875	875	875
Inventories and other current assets	94	0	1 094
Current receivables	5 005	149 236	4 057
Cash and bank	94 185	12 575	128 521
<b>Total assets</b>	<b>117 838</b>	<b>172 539</b>	<b>152 128</b>
<b>Equity and liabilities</b>			
Equity	110 480	161 417	138 372
Current liabilities	7 358	11 122	13 756
<b>Total equity and liabilities</b>	<b>117 838</b>	<b>172 539</b>	<b>152 128</b>

## Parent company change in equity in summary SEK 1000

	Q2 2023	Q2 2022	Nov 2021 – Dec 2022*
Opening balance	124 692	24 034	500
Total comprehensive income for the period	-14 213	-18 238	-44 157
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<b>Total</b>	<b>110 480</b>	<b>161 417</b>	<b>138 372</b>

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## Signatures

The board and the CEO certify that this interim report for the period 1 April – 30 June 2023 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, 22 August, 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

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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.